PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2001

SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE JOSEPH L. HANDLEY

Minister of Finance

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Public Accounts of the
Government of the Northwest Territories

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of management through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments. When alternative accounting methods exist, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Accountability and Oversight. The recommendations of this committee are reviewed and acted on to improve the financial systems and controls.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly the financial position of the government, the results of its operations and its cash flows for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation.

After completion of the audit, the Auditor General includes additional information, comments and recommendations in her annual report to the Legislative Assembly of the Northwest Territories.

Lew Voytilla, F.C.G.A.
Comptroller General
Government of the Northwest Territories

October 5, 2001

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AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

I have audited the consolidated statement of financial position of the Government of the Northwest Territories as at March 31, 2001 and the consolidated statements of operations and net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for governments recommended by the Canadian Institute of Chartered Accountants' Public Sector Accounting Board. As required by the *Northwest Territories Act*, I report that, in my opinion, these principles have been applied, after giving retroactive effect to the change in method of accounting for tangible capital assets as explained in note 3 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Under the *Financial Administration Act (FAA)*, departments are not allowed to overspend their appropriations nor can they make a disbursement unless there is a related appropriation. The Government made payments totalling $1,416,000 (2000 - $16,756,000) during the year ended March 31, 2001 to settle individual equal pay liabilities without a related appropriation. During the years ended March 31, 1998 and 1999, the Government expensed $25 million and $8 million, respectively, as a provision for equal pay settlement. As these expenses exceeded appropriations at the respective year-ends, interim appropriations were created for both these years. The *FAA* requires the Minister of Finance to submit interim appropriations as bills when the related March 31 Public Accounts are tabled. Since the Minister did not submit either of the 1998 or 1999 interim appropriations as bills, in my view both expired. Consequently, equal pay payments of $1,416,000 (2000 - $16,756,000) made during the current year contravened section 31(1) of the *FAA*, which states that "no person shall make a disbursement from the Consolidated Revenue Fund unless it is in respect of an expenditure incurred pursuant to an appropriation.

Further, in my opinion, proper books of account have been kept by the Government and the consolidated financial statements are in agreement therewith. In addition, except for the disbursements made without a related appropriation as described in the previous paragraph, the transactions of the Government and of those organizations listed in note 1 that have come to my notice during my audit of these consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Northwest Territories Act*, the *Financial Administration Act* and regulations and the specific operating authorities disclosed in note 1.

Additional information and comments on the consolidated financial statements and this opinion will be included in my annual report to the Legislative Assembly of the Northwest Territories.

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
October 5, 2001

Government of the Northwest Territories

Consolidated Statement of Financial Position

as at March 31, (thousands of dollars)	2001	2000 Restated (note 3)
Financial assets		
Cash (note 5)	$ 8,250	$ 12,912
Short term investments (note 5)	61,181	16,686
Due from (to) Canada (note 6)	50,607	28,326
Accounts receivable (note 7)	47,368	47,884
Due from the Government of Nunavut upon division	-	35,313
Inventories and prepaid expenses (note 8)	12,266	11,991
Designated cash and investments (note 9)	29,149	21,924
Loans receivable (note 10)	42,076	43,335
Investment in Northwest Territories Power Corporation (note 11)	75,111	73,743
	326,008	292,114
Tangible capital assets (schedule C)	678,601	651,697
	$ 1,004,609	**$ 943,811**
Liabilities		
Bank overdraft (note 13a)	$ -	$ 438
Short-term loans (note 13b)	9,690	79,361
Accounts payable and accrued liabilities (note 14)	99,774	92,903
Provision for equal pay settlement (note 22a)	4,717	6,133
Capital lease obligations (note 15)	26,929	18,760
Long-term debt (note 16)	30,644	30,329
Employee future benefits (note 17)	20,447	22,140
Pension liabilities (note 18)	17,033	16,396
	209,234	266,460
Accumulated surplus, represented by:		
Investment in tangible capital assets	678,601	651,697
Net financial assets (note 4)	116,774	25,654
	795,375	677,351
	$ 1,004,609	**$ 943,811**

Commitments and contingencies (notes 21 and 22)

Approved:

Joseph L. Handley
Minister of Finance

Lew Voytilla
Comptroller General

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Operations and Net Financial Assets

for the year ended March 31, (thousands of dollars)	2001 Budget (note 1b)	2001 Actual	2000 Restated (note 3) Actual
Revenues (schedule A)	$ 776,180	$ 908,114	$ 752,695
Recoveries of prior years' expenses	3,000	6,141	3,268
	779,180	914,255	755,963
Expenses (schedule B)	793,783	801,682	758,192
Net operating revenue (expense) for the year	(14,603)	112,573	(2,229)
Net revenue from investment in Northwest Territories Power Corporation (note 11)	7,180	5,451	7,434
Projects for Canada, Nunavut and others			
Expenses	(35,473)	(40,919)	(50,146)
Recoveries	35,473	40,919	50,146
Net revenue (expense) for the year	**$ (7,423)**	**118,024**	**5,205**
Net investment in tangible capital assets (note 12)			
Amortization of tangible capital assets (schedule C)		41,477	35,438
Acquisitions, net of capital contributions received		(61,320)	(58,178)
Disposals (schedule C)		5,692	-
Amortization of capital contributions (note 19)		(12,753)	(12,905)
		(26,904)	(35,645)
Change in net financial assets for the year		**91,120**	**(30,440)**
Net financial assets, at beginning of the year		25,654	75,656
Change in accounting policy (note 3)		-	(19,562)
Net financial assets, at beginning of the year, as restated		25,654	56,094
Net financial assets, at end of the year		**$ 116,774**	**$ 25,654**

The accompanying notes and schedules are an integral part of the consolidated financial statements.

Government of the Northwest Territories

Consolidated Statement of Cash Flows

for the year ended March 31, (thousands of dollars)	**2001**	**2000** Restated (note 3)
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	$ 118,024	$ 5,205
Items not affecting cash:		
Provision for bad debts, forgivable loans and mortgage write-down	4,679	5,897
Amortization of tangible capital assets	41,477	35,438
Capital contributions amortized as revenue	(12,753)	(12,905)
Net revenue from investment in Northwest Territories Power Corporation	(5,451)	(7,434)
	145,976	26,201
Changes in non-cash assets and liabilities		
Due from Canada	(22,281)	20,821
Due from Nunavut government upon division	35,313	-
Other current assets	(1,341)	(4,446)
Other current liabilities	6,871	(36,622)
Employee future benefits and pension liabilities	(1,056)	3,017
Payments for equal pay settlements	(1,416)	(16,756)
Net cash provided by (used in) operating activities	**162,066**	**(7,785)**
Investing activities		
Increase in short-term investments	(44,495)	(16,686)
Dividend from Northwest Territories Power Corporation	4,083	4,344
Increase in designated cash and investments	(7,225)	(1,189)
Loans receivable		
Advances	(11,270)	(14,121)
Repayments	9,432	6,974
Acquisition of tangible capital assets	(63,369)	(58,178)
Disposal of tangible capital assets	5,692	-
Net cash (used in) investing activities	**(107,152)**	**(78,856)**
Financing activities		
Financing provided by long-term debt	777	-
Repayment of long-term debt	(462)	(816)
Capital contributions received and deferred	2,049	-
Financing provided by capital lease obligations	10,033	-
Repayment of capital lease obligations	(1,864)	(802)
Net cash provided by (used in) financing activities	**10,533**	**(1,618)**
Increase (decrease) in cash and cash equivalents	**65,447**	**(88,259)**
Cash and cash equivalents at beginning of the year	(66,887)	21,372
Cash and cash equivalents at end of the year*	**$ (1,440)**	**$ (66,887)**

* Cash and cash equivalents include cash less bank overdraft and short-term loans.

The accompanying notes and schedules are an integral part of the consolidated financial statements.

1. AUTHORITY AND OPERATIONS

(a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act (Canada)*. The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements include the accounts of the Government and organizations accountable to and owned or controlled by the Government. The entities that exist to deliver the executive functions of the Government are fully consolidated in these financial statements.

The following chart lists the organizations comprising the consolidated Government reporting entity, how they are accounted for in the consolidated financial statements and their specific operating authority.

Fully Consolidated:

Aurora College	*Public Colleges Act*
Northwest Territories Housing Corporation	*Northwest Territories Housing Corporation Act*
Northwest Territories Development Corporation	*Northwest Territories Development Corporation Act*
Northwest Territories Business Credit Corporation	*Northwest Territories Business Credit Corporation Act*

Modified Equity:

Northwest Territories Power Corporation	*Northwest Territories Power Corporation Act*

These organizations have a March 31 fiscal year end except for the college which has a fiscal year end of June 30. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (note 20) are excluded from the consolidated Government reporting entity.

The following related Government boards and agencies are reflected in these statements only to the extent of the Government's contributions to them:

Divisional Education Councils and District Education Authorities
Hospitals and Regional Health Boards
Local Housing Associations and Authorities
Legislative Assembly Retiring Allowances Fund
Territorial Court Judges' Registered Pension Plan

(b) Budget

The budget figures are the appropriations approved by the Legislative Assembly, and the approved budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenditures. They represent the Government's original fiscal plan for the year and do not reflect supplementary appropriations. The budget figures shown have not been audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to provision for equal pay settlements, employee future benefits, contingencies, revenue accruals, housing mortgages and Students Loan Fund allowances for both forgivable and bad mortgages and loans. Other estimates, such as Canada Health and Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and Canada's Department of Finance. Many of the statistical estimates are not finalized until three to seven years after the year end.

(b) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and capital gains and losses are recognized as incurred.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(c) Inventories

Inventories for resale consist of bulk fuel, liquor products, lumber, arts, crafts and granular products. Bulk fuels and granular products are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost, determined on a first in, first out basis and net replacement value.

(d) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(e) Investment in Northwest Territories Power Corporation

The Northwest Territories Power Corporation (NTPC) is accountable to the government, sells goods and services to the public, can contract in its own name and can maintain itself without government support. Consequently, it is consolidated in these financial statements using the modified equity method. Under this method the Government only reports its investment in and the net revenue of the NTPC. In addition, any amounts receivable or payable from the NTPC are reported.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds $50,000 and are intended to be used on an ongoing basis for delivering services.

Tangible capital assets are recorded at cost, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost shared tangible capital assets from Canada are recorded at their fair market value, upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service, are amortized over their economic life based on the following guidelines:

Asset category	Amortization period
Land	Not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	25 years
Computers and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lease term plus renewal option

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. The present value is based on the specified rate or the government's borrowing rate at the time obligation is incurred. Operating leases are charged to expenses. Works of art and historical treasures are not recorded.

(g) Employee future benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2000 - equal to) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represents the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Severance liabilities are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Commitments and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to operating, commercial and residential leases, capital projects and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(i) Grant from Canada

The Grant is subject to the terms of the Formula Financing Agreement with Canada. The Grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, personal and corporate income tax revenues and other federal transfers.

The initial payments of the Grant are based on estimates of these variables, supplied by Statistics Canada, Canada's Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. All known changes to estimates, relating to current year and prior years, are recorded in the current year as revenue adjustments.

(j) Projects for Canada, Nunavut and others

The Government undertakes projects for Canada, Nunavut and others for which it receives accountable advances. Unexpended balances are recorded as current liabilities, and recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(k) Taxes

Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax revenue is recognized on an accrual basis. Changes to personal and corporate income tax estimates can have a significant impact on the Grant from Canada.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed and recorded in the year that the tax notices are issued.

(l) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis. Funding received for specified purposes is deferred until the related expenses are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Expenses

Expenses are recorded on an accrual basis. The Government records expenses in the year in which the related goods and services are consumed. Government grants and contributions are accrued as expenses when paid or when the recipient has fulfilled the terms of a contractual agreement.

(n) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals are reported separately from other revenues on the consolidated statement of operations and surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

3. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2000 the Government changed its accounting policy for tangible capital assets. Expenditures for tangible capital assets are capitalized and amortized over the estimated useful life of the asset. The gifted or cost shared portion of these assets are deferred and amortized over the same life. In the past, expenditures for tangible capital assets were charged to operations when incurred. This change was made to conform to the accounting recommendations issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. This change has been applied retroactively and the financial statements of the prior year have been restated.

	2001	2000
	(thousands of dollars)	
The effect on net financial assets is as follows:		
Increase in capital lease obligations	$ 26,929	$ 18,760
Increase (decrease) in change in net financial assets for the year	(8,169)	802
Decrease in net financial assets, at the beginning of the year	$ 18,760	$ 19,562
The effect on the accumulated surplus is as follows:		
Increase in tangible capital assets	$ 678,601	$ 651,697
Increase in capital lease obligations	(26,929)	(18,760)
Increase in net revenue (expense) for the year	(18,735)	(36,447)
Increase in accumulated surplus, at the beginning of the year	$ 632,937	$ 596,490

4. NET FINANCIAL ASSETS

Net financial assets are the residual financial assets after being reduced by all financial liabilities of the government.

	2001	2000 Restated (note 3)
	(thousands of dollars)	
Financial Assets	$ 326,008	$ 292,114
Less: Liabilities	(209,234)	(266,460)

	$ 116,774	$ 25,654

5. CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments represent a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year ended March 31, 2001 varied from 4.25% to 5.86% (2000 - 4.36% to 5.50%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 5% to 50% of the total portfolio. There is no significant concentration in any one investment. The average term to maturity, as at March 31, 2001, is 93 days.

6. DUE FROM (TO) CANADA

	2001	2000
	(thousands of dollars)	
Grant receivable		
Grant per financing agreement	$ 570,956	$ 519,155
Less payments received	(550,044)	(545,002)
	20,912	(25,847)
Balance receivable at beginning of year	5,837	31,684
	26,749	5,837
Other receivables		
Indian and Inuit hospital and medical care	19,346	26,536
Canada Mortgage and Housing Corporation	777	721
Projects on behalf of Canada	6,251	3,196
Miscellaneous receivables	18,626	12,585
	71,749	48,875
Payable to Canada		
Excess Income Tax advanced	(2,815)	(7,003)
Advances for projects on behalf of Canada	(2,288)	(1,806)
Miscellaneous payables	(5,974)	(6,740)
Deferred funding for specified purposes	(10,065)	(5,000)
	(21,142)	(20,549)
	$ 50,607	**$ 28,326**

The amounts due from Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

7. ACCOUNTS RECEIVABLE

	2001	2000
	(thousands of dollars)	
General	$ 19,958	$ 17,706
Government of Nunavut	22,075	21,928
Revolving fund sales	3,922	6,049
Accrued interest	1,126	1,523
	47,081	47,206
Less: allowance for doubtful accounts	6,987	5,405
	40,094	41,801
Receivables from related parties		
District Education Authorities and Divisional Education Councils	1,386	4,310
Hospitals and Regional Health Boards	551	704
Local Housing Associations and Authorities	1,194	1,026
Northwest Territories Power Corporation	4,120	10
Workers' Compensation Board (Northwest Territories and Nunavut)	23	33
	7,274	6,083
	$ 47,368	**$ 47,884**

8. INVENTORIES AND PREPAID EXPENSES

	2001	2000
	(thousands of dollars)	
Inventories		
Bulk fuels	$ 4,715	$ 4,346
Liquor products	3,089	2,963
Lumber, arts and crafts	1,176	1,291
Others	588	660
	9,568	**9,260**
Prepaid operational expenses	**2,698**	**2,731**
	$ 12,266	**$ 11,991**

9. DESIGNATED CASH AND INVESTMENTS

	2001	2000
	(thousands of dollars)	
Investment portfolio		
Marketable securities (market value $19,997,000; 2000, $19,740,000)	$ 19,554	$ 17,398
Cash and other assets (market value approximates cost)	2,106	558
	21,660	17,956
Students Loan Fund		
Authorized limit	27,000	22,000
Less: Loans receivable	22,144	19,979
Segregated and designated for new loans	4,856	2,021
Northwest Territories Development Corporation		
Preferred share investment	2,874	2,612
Reserve Funds	756	704
Sinking Fund Investment	702	378
	4,332	3,694
Less: Allowance for loss	1,699	1,747
	2,633	1,947
	$ 29,149	**$ 21,924**

The cash and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowance Regulations restrict the investments CIBC Mellon Global Securities Company can make to those investments listed in the *Pension Benefits Standards Act.*

The proportionate asset mix in the investment portfolio as at March 31 is as follows:

	2001	2000
	%	%
Canadian Stocks	14.03	28.96
Cash and other assets	9.72	3.12
Corporate bonds	-	7.47
Federal bonds	44.82	15.31
Foreign stocks	31.03	2.53
Provincial bonds	0.40	34.08
Strip bonds	-	8.53
	100.00	100.00

The average market yields on the federal, provincial, and corporate bonds are 4.5%, 5.4% and 2.5% (2000 - 3.44%, 0.67% and 6.46%) respectively, with maturity dates ranging from April 2001 to December 2015. The gain on investments sold was $4,433,000 (2000 - $1,667,000)

10. LOANS RECEIVABLE

	2001	2000
	(thousands of dollars)	
Northwest Territories Business Credit Corporation loans to businesses receivable over a maximum of 25 years, bearing fixed interest between 4.9% and 6.2%, net of allowance for doubtful accounts of $5,219,000 (2000 - $4,796,000)	$ 25,758	$ 26,318
Northwest Territories Housing Corporation mortgage and interim financing loans to individuals receivable over a maximum of 25 years, bearing fixed interest between 6.7% and 10.75%, net of allowance for doubtful accounts of $6,333,000 (2000 - $6,426,000)	2,357	2,788
Students Loan Fund loans due in installments to 2014, bearing interest between 3.75% and 12.5%, net of allowance for doubtful accounts and loan remissions of $13,467,000 (2000 - $11,750,000)	8,677	8,229
Loans to municipalities due in installments to 2026, bearing interest between 6.50% and 11.27%	4,793	5,490
Other	491	510
	42,076	**$ 43,335**

The amounts expected to be received in the upcoming year are $11,516,000 (2000 - $9,052,000). Interest earned on loans receivable during the year was $3,082,000 (2000 - $4,390,000)

11. INVESTMENT IN NORTHWEST TERRITORIES POWER CORPORATION

The governments of the Northwest Territories and Nunavut have entered into a transition agreement that governs the operation of the Northwest Territories Power Corporation (NTPC) and the split of any dividends declared through to March 31, 2001.

The transition agreement also details the process to be followed to divide the assets and liabilities of the NTPC at April 1, 2001, as if the corporation had been divided on April 1, 1999. The method by which the assets and liabilities will be divided is consistent with the methodology used to divide the governments, except that the equity, after the removal of capital and related debt, will be apportioned using the east/west ratio of the NTPC revenue requirement as at March 31, 1999. An inter-governmental committee including representatives of the NTPC has been formed that will work towards finalizing the revenue requirement ratio and the ultimate division of the NTPC. The ultimate division is not expected to be finalized until late in 2001.

The Government's investment in the NTPC is recorded at an estimate of the Government's share of the net assets after removing net assets to be transferred to the Nunavut Power Corporation on April 1, 2001. Any adjustments to the amount of net assets will be recorded when the division of NTPC is finalized.

The following is summarized financial information for NTPC and the estimate of the Government's share of the Corporation as at March 31, 2001:

11. INVESTMENT IN NORTHWEST TERRITORIES POWER CORPORATION(continued)

(thousands of dollars)

	NTPC 2001	Government's Share 2001	2000
Investment in Northwest Territories Power Corporation			
Shareholders' Equity, including share capital of $43,129	$ 112,710	$ 75,111	$ 73,743
Shareholders' Equity is represented by:			
Assets	366,594	244,299	230,533
Liabilities	(253,884)	(169,188)	(156,790)
	$ 112,710	$ 75,111	$ 73,743

Statement of Operations and Surplus

For the year ended March 31,	NTPC Results of operations 2001	Government's share of operations 2001	2000
Revenue	$ 103,676	$ 66,477	$ 72,086
Expenditures	(94,587)	(60,649)	(64,652)
Net revenue	9,089	5,828	7,434
Surplus at beginning of the year	67,426	45,028	41,938
Change in accounting policy - employee future benefits	(566)	(377)	-
Dividend	(6,368)	(4,083)	(4,344)
Surplus at end of the year	$ 69,581	$ 46,396	$ 45,028

Included in the above revenues and expenses are revenues from and expense to entities in the Government's reporting entity of $10,630,000 and $3,541,000 respectively.

12. NET INVESTMENT IN TANGIBLE CAPITAL ASSETS

Net investment in tangible capital assets represents the total of tangible capital assets acquired, disposed of, and contributed during the year; net of the annual related amortization charged to operations.

The Canadian Institute of Chartered Accountants' Public Sector Accounting Board requires governments reporting under the expense basis of accounting to include, in the consolidated statement of operations, a reconciliation between net revenue (expense) and change in financial assets for the year. The Government has presented net investment in tangible capital assets to provide this reconciliation.

13. BANK OVERDRAFT AND SHORT-TERM LOANS

(a) Bank overdraft

The Government has a line of credit provided by the Chartered Banks. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The overdraft interest rate is at prime and the collateral is on the Consolidated Revenue Fund of the Government. Interest is charged on the net balance of the Government and its pool participants. At March 31, 2001 there is no net overdraft balance (2000 - $438,000).

(b) Short-term loans

Short-term loans of $9,690,000 (2000 - $79,361,000) incur interest at an average rate of 5.87% (2000 - 5.04% to 5.89%). Short-term loans were repaid as of April 1, 2001. Interest paid in 2001 was $306,995 (2000 - $2,259,000).

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2001	2000
	(thousands of dollars)	
Trade	$ 48,472	$ 47,697
Government of Nunavut	17,712	12,679
Other liabilities, payroll liabilities and contractors' holdback	12,467	14,601
Employee vacation pay	11,486	8,672
Accrued interest	505	509
Deferred revenue	1,275	1,850
	91,917	86,008
Payable to related parties		
Divisional Education Councils and District Education Authorities	1,629	699
Hospitals and Regional Health Boards	3,763	3,565
Local Housing Associations and Authorities	913	715
Northwest Territories Power Corporation	809	516
Workers' Compensation Board (Northwest Territories and Nunavut)	743	1,400
	7,857	6,895
	$ 99,774	**$ 92,903**

15. CAPITAL LEASE OBLIGATIONS

	2001	2000 Restated (note 3)
	(thousands of dollars)	
Buildings	$ 26,699	$ 18,289
Computers and software systems	230	471
	$ 26,929	**$ 18,760**

Interest expense related to capital lease obligations for the year was $2,879,000 (2000 - $2,110,000), at an implied average interest rate of 12.6% (2000 - 11%). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2001.

	(thousands of dollars)
2002	$ 4,284
2003	4,035
2004	4,035
2005	4,035
2006	4,035
Beyond 2006	31,392
Total minimum lease payments	51,816
Less: imputed interest (11.5%)	24,887
Present value of minimum lease payments	$ 26,929

16. LONG-TERM DEBT

	2001	2000
	(thousands of dollars)	
Northwest Territories Housing Corporation loans due to Canada Mortgage and Housing Corporation, repayable in annual installments of $2,497,000 to the year 2033, bearing interest at a rate of 6.97% (2000 : 6.97%)	$ 28,247	$ 28,709
Aurora Fund loan maturing 2004, bearing interest at 7%	1,620	1,620
Other	777	-
	$ 30,644	**$ 30,329**

16. LONG-TERM DEBT (continued)

Principal and interest amounts due in each fiscal year for the next five years:

	Principal	Interest	Total
	(thousands of dollars)		
2002	$ 506	$ 2,163	$ 2,669
2003	542	2,127	2,669
2004	2,200	1,976	4,176
2005	622	1,935	2,557
2006	665	1,891	2,556

The interest paid on long-term debt during the year was $2,151,000 (2000 - $2,179,000).

Debt Authority

Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, has approved the Government borrowing up to $300 million.

	2001	2000
	(thousands of dollars)	
Short-term borrowing	$ 9,690	$ 78,923
Guaranteed Debt		
NWT Power Corporation	110,254	93,482
NWT Housing Corporation	28,247	28,700
NWT Energy Corporation, debenture series	23,970	24,198
NWT Power Corporation, operational debt	26,576	24,216
Total guaranteed debt	189,047	170,596
Total debt	**198,737**	**249,519**
Authorized borrowing limit	300,000	300,000
Available borrowing capacity	**$ 101,263**	**$ 50,481**

17. EMPLOYEE FUTURE BENEFITS

	2001	2000
	(thousands of dollars)	
Resignation	$ 12,781	$ 14,091
Removal	5,478	5,775
Retirement	2,188	2,274
	$ 20,447	**$ 22,140**

The expected payments to be made in upcoming year are $2,470,000 (2000 - $3,926,000).

18. PENSIONS

(a) Pension liabilities

	2001	2000
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	$ 15,625	$ 15,537
Judges' Supplemental Pension Plan	1,408	859
	$ 17,033	**$ 16,396**

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. These two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 2001 (2000 - nil). The funds related to these plans are administered by independent trust companies.

The Legislative Assembly Retiring Allowances Fund and the Judges' Registered Pension Plan are contributory defined benefit pension plans. The Legislative Assembly Supplementary Retiring Allowance and the Judges' Supplemental Pension Plan are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Legislative Assembly Supplementary Retirement Allowance is not available to new entrants. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and April 1, 1999 respectively, using the projected benefit method prorated on service. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2001 if they were not valued at the balance sheet date.

(b) Pension Expense

Pension expense for the Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan for the year totalled $1,375,000 (2000 - $1,429,000). The Government's contributions to the Public Service Superannuation Plan were $16,100,000 (2000 - $7,400,000).

19. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted or cost shared from Canada. The most significant of these assets are roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset.

	2001	2000 Restated (note 3)
	(thousands of dollars)	
Deferred capital contributions at beginning of year	$ 224,585	$ 237,490
Add: Assets gifted or cost shared during the year	2,049	-
Less: Amortization of capital contributions	(12,753)	(12,905)
Deferred capital contributions at end of year	**$ 213,881**	**$ 224,585**

20. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2001	2000
	(thousands of dollars)	
Workers' Compensation Board (Northwest Territories and Nunavut)	$ 262,349	$ 254,456
Public Trustee	2,585	2,714
Natural Resources - Capital	335	334
Territorial and Supreme Court	469	437
Other	375	164
Correctional institutions	149	112
	$ 266,262	**$ 258,217**

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

21. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2001:

	Expiry Date	2002	2003-2038	Total
		(thousands of dollars)		
RCMP Policing Agreement	2002	$ 18,805	$ -	$ 18,805
Capital Commitments - projects in progress at March 31, 2001	2003	21,485	485	21,970
Equipment Leases	2006	1,038	1,084	2,122
Operational Commitments	2006	23,508	18,381	41,889
Western Harvesters' Assistance Program	2006	314	528	842
Commercial and Residential Leases	2019	15,465	81,910	97,375
Canada Mortgage and Housing Corporation	2038	2,787	66,472	69,259
		$ 83,402	$ 168,860	$ 252,262

(a) Canada Mortgage and Housing Corporation (CMHC)

In accordance with a Declaration of Trust Agreement, the Canada Mortgage and Housing Corporation (CMHC) transferred its ownership interest in territorial rental and loan portfolios to the Northwest Territories Housing Corporation (the Corporation), as Trustee. The Corporation assumed full responsibility and liability for the social housing programs related to the portfolios and receives annual funding from CMHC to manage these programs. The Agreement and funding expire in 2038.

21. COMMITMENTS (continued)

A portion of this funding is used to make payments on portfolio-related CMHC mortgages of $69,259,000 (2000 - $71,767,000) maturing between 2003 and 2038, at interest rates ranging from 4.5% to 21.5%. As the related mortgages mature, the Corporation obtains clear title to CMHC's share of the book value of the respective assets. Until clear title is obtained, CMHC is entitled to its respective share of any gains on the disposal of any portfolio assets.

The portfolio assets and mortgages, held in trust, are recorded only as a commitment in these financial statements. CMHC retains the annual mortgage-related funding to make the mortgage payments, and accordingly neither the funding nor the mortgage payments are recorded by the Government. The mortgages, held in trust, are not included as borrowings for the purposes of the debt authority limits described in note 16.

(b) Commissions commitment

The Government has entered into fuel delivery contracts for 18 communities. All contracts expire by 2006. Under these contracts, fixed commission rates are paid. The value of this commitment cannot reasonably be determined as the commissions paid are based on the amount of fuel delivered, which can vary.

(c) Charge back of services

The Government has 11 (2000 - 62) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of Nunavut are estimated at $10,000,000 (2000 - $15,850,000) for the fiscal year 2001-2002.

22. CONTINGENCIES

(a) Equal pay complaint

In March 1989, the Public Service Alliance of Canada filed an equal pay complaint against the Government under the *Canadian Human Rights Act*.

Notwithstanding that the complaint is still before a Canadian Human Rights Tribunal, the Government made offers of settlement to individuals and accrued a $33 million provision as its best estimate of the amount needed to settle the equal pay complaint. As of March 31, 2001 the Government has paid out $28.5 million of the amount accrued. The amounts paid are based on legally binding agreements with individual employees and former employees in final settlement of their equal pay claim. The balance of the provision, $4,717,000 (2000 - $6,133,000), will continue to be paid as eligible recipients are located and accept the Government's offer.

For those employees who have received but not accepted the Government's offer, the offers remain open and the complaint remains outstanding. As such there exists a possibility that equal pay costs could exceed or be lower than the amount accrued for these employees. In the event there is an additional or lesser liability, the change will be shared 44.34% with the Government of Nunavut and the balance charged to or recovered from operations in the year when it is determined.

22. CONTINGENCIES (continued)

(b) Environmental restoration costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 373 sites in, or in close proximity to communities, where environmental liabilities may exist. Of these, 102 sites have either been assessed or are owned by the private sector. To date 63 of the 373 sites have been remediated, sold to the private sector or it has been determined no liability exists. Other assessed sites either have remediation plans in place or, are undergoing further study.

In addition there are 166 fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally inspected. Of these sites, 53 have been, or shortly will be, inspected. The Government has plans in place to remove the drums and restore the site to its original condition for 16 of the sites. 52 of the sites currently have no drums stored there.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2001 cost estimates of sufficient accuracy are not yet available to predict future costs, if any, of restoration, consequently no liabilities have been accrued.

(c) Guarantees

The Government has agreed to guarantee operating lines of credit for Sirrius Diamonds Ltd. to a maximum of $10,000,000; Arslanian Cutting Works (NWT) Ltd. to a maximum of $9,200,000 and Deton'Cho Diamonds Inc. to a maximum of $5,000,000 subject to terms of the guarantee agreements which may require specific approval for future advances. The current balances of the operating line of credit are $7,900,000, $5,177,000 and $2,129,000 respectively. In addition, the Government has guaranteed residential housing loans totalling $2,729,000 and indemnified Canada Mortgage and Housing for third party loans totalling $44,884,000.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the percentage the Northwest Territories' population is of the Canadian population.

(d) Litigation

The Governments of the Northwest Territories and Nunavut are named as defendants in a class action suit. The suit relates to alleged abuse by a former schoolteacher in a region in Nunavut that was formerly part of the Northwest Territories. Damages sought are $23,000,000. The Governments of the Northwest Territories and Nunavut are jointly defending the action. The costs of defending the action and any damages that may eventually be awarded in excess of insurance coverage will be shared by the two Governments 44.34% and 55.66% respectively. An estimate of the loss arising from this action, if any, cannot be determined at this time.

A claim related to the construction of the hydro system on the Taltson River has been filed against the Government, the Northwest Territories Power Corporation and the Government of Canada. It is anticipated that no significant loss will result from this claim.

23. RELATED PARTIES

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made contributions and grants to the following related parties:

	2001	2000
	(thousands of dollars)	
Hospitals and Regional Health Boards	$ 125,181	$ 110,932
Divisional Education Councils and District Education Authorities	87,888	80,859
Local Housing Associations and Authorities	29,250	30,831
	$ 242,319	**$ 222,622**

The Government funds communities, boards, agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of this potential liability, if any, cannot be readily determined.

Under agreements with related boards and agencies, the Government provides services either at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $58,780,000 (2000 - $52,937,000) were incurred and recovered from related parties.

24. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories Schedule A

Consolidated Schedule of Revenues by Source

for the year ended March 31, (thousands of dollars)	**2001**		**2000** Restated
	Budget (note 1b)	**Actual**	(note 3)
From Canada			
Grant	$ 513,648	$ 570,956	$ 519,155
Transfer payments	86,922	67,533	75,699
	600,570	638,489	594,854
Generated revenues			
Taxes	133,264	201,955	93,731
General	15,004	22,896	20,176
Sales:			
Liquor Commission (net of cost of goods sold of $10,439 (2000 - $10,625))	18,162	19,804	19,099
Petroleum Products (net of cost of goods sold of $6,435 (2000 - $7,593))	2,723	3,232	2,821
Amortization of capital contributions (note 19)	-	12,753	12,905
Other recoveries	6,457	8,985	9,109
	175,610	269,625	157,841
Total revenues	**$ 776,180**	**$ 908,114**	**$ 752,695**

Government of the Northwest Territories Schedule B

Consolidated Schedule of Expenses

for the year ended March 31, (thousands of dollars)	**2001**		**2000** Restated
	Budget (note 1b)	**Actual**	(note 3)
Operations and maintenance			
Grants and contributions	$ 327,566	$ 330,670	$ 317,829
Operations and maintenance	256,797	240,337	233,966
Compensation and benefits	164,896	183,394	166,789
Valuation allowances	-	5,804	4,170
Amortization of tangible capital assets	44,524	41,477	35,438
Total	**$ 793,783**	**$ 801,682**	**$ 758,192**

Government of the Northwest Territories

Schedule C

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31,
(thousands of dollars)

	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	2001	2000 Restated
								(note 3)
Cost of tangible capital assets, opening	$ 1,853	$ 629,215	$ 527,638	$ 16,431	$ 42,805	$ 15,140	$ 1,233,082	$ 1,176,248
Acquisitions	298	18,322	17,275	216	2,590	2,660	41,361	56,834
Disposals	-	(6,638)	-	-	(1,014)	(12)	(7,664)	-
Cost of tangible capital assets, closing	$ 2,151	$ 640,899	$ 544,913	$ 16,647	$ 44,381	$ 17,788	$ 1,266,779	$ 1,233,082
Accumulated amortization, opening	$ -	$ (214,933)	$ (137,662)	$ (8,244)	$ (21,242)	$ (5,143)	$ (387,224)	$ (351,786)
Amortization expense	-	(20,302)	(15,659)	(1,129)	(2,454)	(1,933)	(41,477)	(35,438)
Write-downs	-	-	-	-	-	-	-	-
Disposals	-	962	-	-	1,003	7	1,972	-
Accumulated amortization, closing	$ -	$ (234,273)	$ (153,321)	$ (9,373)	$ (22,693)	$ (7,069)	$ (426,729)	$ (387,224)
Net book value	**$ 2,151**	**$ 406,626**	**$ 391,592**	**$ 7,274**	**$ 21,688**	**$ 10,719**	840,050	845,858
Work in progress							**52,432**	**30,424**
Deferred capital contributions (note 19)							**(213,881)**	**(224,585)**
							$ 678,601	**$ 651,697**

*includes roads, bridges, airstrips, aprons, and water/sewer works

PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF THE NORTHWEST TERRITORIES

FOR THE YEAR ENDED MARCH 31, 2001

SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

HONOURABLE JOSEPH L. HANDLEY

Minister of Finance

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

As at March 31, (thousands of dollars)	**2001**	**2000** Restated (note 3)
Financial Assets		
Cash (note 4)	$ 1,166	$ 2,956
Short-term investments (note 5)	47,652	2,510
Due from (to) Canada (note 6)	49,829	27,605
Accounts receivable (note 7)	46,819	50,485
Due from the Government of Nunavut upon division	-	35,313
Inventories and prepaid expenses (note 8)	11,064	10,646
Designated cash and investments (note 9)	26,516	19,977
Loans receivable (note10)	41,189	41,874
Investment in Northwest Territories Power Corporation, at nominal value of one dollar	-	-
	$ 224,235	**$ 191,366**
Tangible capital assets (see Statement)	**821,452**	**816,426**
	$ 1,045,687	**$ 1,007,792**
Liabilities		
Short-term loans (note 11)	$ 9,690	$ 79,361
Accounts payable and accrued liabilities (note 12)	90,058	87,471
Provision for equal pay settlement (note 20b)	4,717	6,133
Capital lease obligations (note 13)	17,177	18,760
Employee future benefits (note 14)	19,506	19,221
Pension liabilities (note 15a)	17,033	16,396
	158,181	**227,342**
Deferred capital contributions (note 16)	**213,881**	**224,585**
Accumulated surplus	**673,625**	**555,865**
	$ 1,045,687	**$ 1,007,792**

Commitments and contingencies (notes 19 and 20)

The accompanying notes and Schedules A and B are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Net Financial Assets (Debt) (unaudited)

for the year ended March 31, (thousands of dollars)	**2001**	**2000** Restated (note 3)
Net financial assets (debt):		
Financial Assets	$ 224,235	$ 191,366
Less: Liabilities	(158,181)	(227,342)
	$ 66,054	**$ (35,976)**
Changes in net financial assets (debt) during the year:		
Net financial assets (debt) at beginning of year	$ (35,976)	$ (8,448)
Items affecting net financial assets (debt):		
Net revenue (expense) for the year	117,760	(1,756)
Decrease (increase) in tangible capital assets, net book value	(5,026)	(12,867)
Decrease in deferred capital contributions	(10,704)	(12,905)
Net financial assets (debt) at end of year	**$ 66,054**	**$ (35,976)**

The accompanying notes and Schedules A and B are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, (thousands of dollars)	**2001**		**2000** Restated
			(note 3)
	Main Estimate (Note 1c)	**Actual**	
Revenues			
Revenues by Source (Schedule A)	$ 748,330	$ 877,328	$ 720,072
Recoveries of prior years' expenditures	3,000	6,141	3,268
	751,330	883,469	723,340
Expenses (Schedule B)			
Compensation and benefits	144,437	156,353	141,295
Grants and contributions	351,478	360,297	340,273
Valuation allowances	-	5,103	2,434
Other	223,884	206,670	207,758
Amortization	37,684	37,018	31,980
Estimated supplementary requirements (note 1c)	19,800	-	-
Estimated appropriation authority lapse (note 1c)	(13,000)	-	-
	764,283	765,441	723,740
Net operating revenue (expense) for the year	**$ (12,953)**	**118,028**	**(400)**
Petroleum Products Revolving Fund - net expenditure (note 17)	-	(268)	(1,356)
Projects for Canada, Nunavut and others			
Expenses	(35,473)	(40,919)	(50,146)
Recoveries	35,473	40,919	50,146
Net revenue (expense) for the year		**117,760**	**(1,756)**
Accumulated surplus at beginning of year		555,865	21,258
Change in accounting policy (note 3)		-	536,363
Accumulated surplus as restated		555,865	557,621
Accumulated surplus at end of year		**$ 673,625**	**$ 555,865**

The accompanying notes and Schedules A and B are an integral part of the non-consolidated financial statements.

Government of the Northwest Territories

Non-Consolidated Statement of Tangible Capital Assets (unaudited)

As at March 31, 2001
(thousands of dollars)

	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	2001	2000 Restated
								(note 3)
Cost of tangible capital assets, opening	$ 1,478	$ 526,604	$ 527,612	$ 15,222	$ 36,159	$ 14,891	$ 1,121,966	$ 1,077,119
Acquisitions	172	3,070	17,268	112	1,902	2,658	25,182	44,847
Disposals	-	(3,433)	-	-	-	-	(3,433)	-
Cost of tangible capital assets, closing	1,650	526,241	544,880	15,334	38,061	17,549	1,143,715	1,121,966
Accumulated amortization, opening	-	(168,119)	(137,640)	(7,818)	(16,037)	(5,041)	(334,655)	(302,675)
Amortization expense	-	(16,545)	(15,658)	(922)	(2,010)	(1,882)	(37,017)	(31,980)
Write-downs	-	-	-	-	-	-	-	-
Disposals	-	641	-	-	-	-	641	-
Accumulated amortization, closing	-	(184,023)	(153,298)	(8,740)	(18,047)	(6,923)	(371,031)	(334,655)
Net book value	**$ 1,650**	**$ 342,218**	**$ 391,582**	**$ 6,594**	**$ 20,014**	**$ 10,626**	772,684	787,311
Work in progress							**48,768**	**29,115**
							$ 821,452	**$ 816,426**

* includes roads, bridges, airstrips, aprons and water/sewer works

Government of the Northwest Territories

Non-Consolidated Statement of Cash Flows (unaudited)

for the year ended March 31, (thousands of dollars)	**2001**	**2000** Restated (note 3)
Cash provided by (used in)		
Operating activities		
Net revenue (expense) for the year	$ 117,760	$ (1,756)
Items not affecting cash:		
Amortization of tangible capital assets	37,018	31,980
Provision for doubtful receivables, loans, and loan remissions	3,299	799
Capital contributions amortized as revenue	(12,753)	(12,905)
	145,324	18,118
Changes in non-cash assets and liabilities		
Due from (to) Canada	(22,224)	20,553
From the Government of Nunavut upon division	35,313	-
Other current assets	1,666	(2,630)
Other current liabilities	2,587	(38,405)
Employee future benefits and pension liabilities	922	1,817
Payments for equal pay settlement	(1,416)	(16,756)
Net cash provided by (used in) operating activities	**162,172**	**(17,303)**
Investing activities		
Increase in designated cash and investments	(6,539)	(1,668)
Increase in Loans receivable	(1,032)	(3,637)
Acquisition of tangible capital asset	(44,836)	(54,991)
Disposal of tangible capital assets	2,792	-
Net cash used in investing activities	**(49,615)**	**(60,296)**
Financing Activities		
Repayment of capital lease obligations	(1,583)	(802)
Capital contributions received and deferred	2,049	-
Net cash used by financing activities	**466**	**(802)**
Increase (decrease) in cash and cash equivalents	**113,023**	**(78,401)**
Cash and cash equivalents at beginning of year	(73,895)	4,506
Cash and cash equivalents at end of year*	**$ 39,128**	**$ (73,895)**

* Cash and cash equivalents are represented by cash and short-term investments less bank overdraft and short-term loans.

The accompanying notes and Schedules A and B are an integral part of the non-consolidated financial statements.

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

(a) Authority and operations

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (*Canada*). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

(b) Reporting entity

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Government Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from, them:

Aurora College
Divisional Educational Councils and District Education Authorities
Hospitals and Regional Health Boards
Northwest Territories Business Credit Corporation
Northwest Territories Development Corporation
Northwest Territories Housing Corporation
Northwest Territories Power Corporation

Detailed financial information on revolving funds and Territorial Crown Corporations is included in Section III of the Public Accounts.

(c) Main estimates

The Main Estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and surplus. They are included for the purpose of comparing the actual net revenue (expense) to the estimated net revenue (expense).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

Some of the more significant management estimates relate to equal pay settlements, employee future benefits, contingencies, revenue accruals and Students Loan Fund allowances for both forgivable and bad loans. Other estimates, such as Canada Health and Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by Canada's Department of Finance and are subject to adjustments in future years. Another significant estimate is the Grant from Canada, which incorporates estimates supplied by Statistics Canada and Canada's Department of Finance. Many of the statistical estimates are not finalized until three to seven years after the year end.

(b) Short-term investments/designated cash and investments

Investments are valued at the lower of cost or market value. Interest income is recorded on the accrual basis, dividend income is recognized as it is received and capital gains and losses are recognized as incurred.

Investment in securities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rate at year end. Foreign currency transactions during the year are translated into Canadian dollars at the exchange rate at the transaction date.

(c) Inventories

Inventories for resale consist of bulk fuel, liquor products and granular products. Bulk fuels and granular products are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at replacement cost. Other inventories are valued at the lower of cost, determined on a first in, first out basis, and net replacement value.

d) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value.

Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Interest revenue is recognized when earned. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(e) Investment in the Northwest Territories Power Corporation

The Government is a shareholder of the Northwest Territories Power Corporation, a Territorial Crown Corporation providing utility services to the Northwest Territories and Nunavut. The Government's share of the net assets of the Corporation has been recorded at a nominal value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Tangible capital assets and leases

Tangible capital assets are buildings, roads, equipment, etc. whose life extends beyond the fiscal year, original cost exceeds $50,000 and are intended to be used on an ongoing basis for delivering services.

Tangible capital assets are recorded at cost, or where actual cost was not available, current replacement cost converted back to date of purchase. Gifted and cost shared tangible capital assets from Canada are recorded at fair market value upon receipt, with the gifted or cost shared portion shown as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized. Tangible capital assets, when placed in service are amortized over their economic life to a maximum of:

Asset category	Amortization period
Land	not amortized
Roads and bridges	40 years
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	25 years
Computers and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lease term plus renewal option

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of any payments due. Operating leases are charged to expenses. Works of art and historical treasures are not recorded.

(g) Employee future benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2000 - equal to) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represents the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Plan.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance and removal costs based on years of service. The benefits are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Severance liabilities are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Commitments and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to operating, commercial and residential leases, capital projects, and operational funding commitments.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(i) Grant from Canada

The Grant from Canada is subject to the terms of the Formula Financing Agreement with Canada. The Grant entitlement is dependent on a number of variables, including population growth, the growth of provincial-local government spending, personal and corporate income tax revenues and other federal transfers.

The initial payments of the Grant are based on estimates of these variables, supplied by Statistics Canada, the Federal Department of Finance and the Government. Adjustments are made as final data becomes available which can take between three to seven years. These adjustments can be significant. Population figures are initially based on Statistics Canada's post-censal estimates, which are adjusted to census data every five years. All known changes to estimates, relating to current year and prior years, are recorded in the current year as revenue adjustments.

(j) Projects for Canada, Nunavut and others

The Government undertakes projects for Canada, Nunavut and others for which it receives accountable advances. Unexpended balances are recorded as current liabilities, and recoveries are accrued when expenses, as allowed under the project contract, exceed advances.

(k) Taxes

Taxes, under the *Income Tax Act*, are collected by Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Federal Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are final. Income tax revenue is recognized on an accrual basis. Changes to personal and corporate income tax estimates can have a significant impact on the Grant from Canada.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act* respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Property tax and school levies are assessed and recorded on a calendar year basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Other revenues/deferred revenue

Licenses, fees and permits are recorded on a cash basis. All other revenues are recorded on an accrual basis. Funding received for specified purposes is deferred until the related expenses are incurred.

(m) Expenses

Expenses are recorded on an accrual basis. Government grants and contributions are recorded on an accrual basis as expenses when paid or when the recipient has fulfilled the terms of the contractual agreement.

(n) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals are reported separately from other revenues on the statement of operations and surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

3. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2000 the Government changed its accounting policy for tangible capital assets. Expenditures for tangible capital assets are capitalized and amortized over the estimated useful life of the asset. The gifted or cost shared portion of these assets are deferred and amortized over the same life. In the past, expenditures for tangible capital assets were charged to operations when incurred. This change was made to conform to the accounting recommendations issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. This change has been applied retroactively and the financial statements of the prior year have been restated.

	2001	2000
	(thousands of dollars)	
The effect on operations is an increase to net revenue for the year of:	16,835	36,725
The effect on the financial position is as follows:		
Increase in accumulated surplus	570,863	536,363
Increase in tangible capital assets	821,452	816,426
Increase in capital lease obligations	17,177	18,760
Increase in deferred capital contributions	213,881	224,585

4. CASH

	2001	2000
	(thousands of dollars)	
Cash in bank	$ 15,672	$ 10,332
Outstanding items	(14,506)	(7,376)
Cash	**$ 1,166**	**$ 2,956**

The Government also has a line of credit provided by the Chartered Banks. There are no fixed repayment terms and the overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The overdraft interest rate is at prime and the collateral is on the Consolidated Revenue Fund of the Government. Interest is charged on the net balance of the Government and its pool participants.

5. SHORT-TERM INVESTMENTS

The surplus cash of the Government is pooled with the surplus cash of certain territorial crown corporations, boards and agencies. This investment pool is invested in a diversified portfolio of high grade, short-term income producing assets.

At March 31, 2001 the investment pool had total investments of $93 million (2000 - $65 million). The Government's portion of this is $47,652,000 (2000 - $2,510,000). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-1 Middle or better from the Dominion Bond Rating Service Ltd. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 5 to 50% of the total portfolio. There is no significant concentration in any one investment.

At March 31, 2001 the average term to maturity was 115 days. The portfolio yield for the year varied from 5.31% to 5.86%. In 2001 the Government earned interest on short-term investments of $765,000 (2000 - $412,000).

6. DUE FROM (TO) CANADA

	2001	2000
	(thousands of dollars)	
Grant receivable		
Grant per financing agreement	$ 570,956	$ 519,154
Less payments received	(550,044)	(545,001)
	20,912	(25,847)
Balance receivable at beginning of year	5,836	31,683
	26,748	5,836
Other receivables:		
Indian and Inuit hospital and medical care	19,346	26,536
Projects on behalf of Canada	6,251	3,196
Miscellaneous receivables	18,626	12,586
	70,971	**48,154**
Payables:		
Advances for projects of behalf of Canada	(2,288)	(1,806)
Excess income tax advanced	(2,815)	(7,003)
Other payables	(5,974)	(6,740)
Deferred funding for specified purposes	(10,065)	(5,000)
	(21,142)	**(20,549)**
	$ 49,829	**$ 27,605**

The amounts due from Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

7. ACCOUNTS RECEIVABLE

	2001	2000
	(thousands of dollars)	
General	$ 18,394	$ 16,733
Government of Nunavut	22,075	21,928
Revolving funds sales	4,331	6,430
Accrued interest	936	1,328
	45,736	46,419
Less: allowance for doubtful accounts	6,987	5,405
	38,749	41,014
Receivables from related parties:		
Aurora College	411	2,112
Divisional Education Councils and District Education Authorities	1,386	4,310
Hospitals and Regional Health Boards	551	704
Northwest Territories Development Corporation	483	141
Northwest Territories Housing Corporation	1,096	2,159
Northwest Territories Liquor Commission	-	2
Northwest Territories Power Corporation	4,120	10
Workers' Compensation Board (Northwest Territories and Nunavut)	23	33
	8,070	9,471
	$ 46,819	**$ 50,485**

During the year, accounts receivable of $724,748 (2000 - $59,693) were written off with proper authority and $10,969 (2000 - $1,066) were forgiven with proper authority.

8. INVENTORIES AND PREPAID EXPENSES

	2001	2000
	(thousands of dollars)	
Inventories		
Bulk fuels	$ 4,715	$ 4,346
Granular products	430	505
Liquor products	3,089	2,963
Public stores	158	155
	8,392	**7,969**
Prepaid operational expenses	**2,672**	**2,677**
	$ 11,064	**$ 10,646**

9. DESIGNATED CASH AND INVESTMENTS

	2001	2000
	(thousands of dollars)	
Investment portfolio:		
Marketable securities (market value $19,997,000, 2000-$19,740,000)	$ 19,554	$ 17,398
Cash and other assets (market value approximates cost)	2,106	558
	21,660	17,956
Students Loan Fund:		
Authorized limit	27,000	22,000
Less: loans receivable	22,144	19,979
Cash available for new loans	4,856	2,021
	$ 26,516	**$ 19,977**

The cash and marketable securities held in the investment portfolio, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and cannot be used to discharge obligations incurred by the Government. The assets in the investment portfolio are managed by CIBC Mellon Global Securities Company. Supplementary Retiring Allowances Regulations restrict the investments CIBC Mellon Global Securities Company can make to those investments listed in the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at:

	2001	2000
	%	%
Canadian stocks	14.03	28.96
Cash and other assets	9.72	3.12
Corporate bonds	-	7.47
Federal bonds	44.82	15.31
Foreign stocks	31.03	2.53
Provincial bonds	0.40	34.08
Strip bonds	-	8.53
	100.00	100.00

The average market yields on the federal, provincial, and corporate bonds are 4.5%, 5.4% and 2.5% (2000 - 3.4%, 0.7% and 6.5%), respectively. The gain on investments sold was $4,433,000 (2000 - $1,667,000).

10. LOANS RECEIVABLE

	2001	2000
	(thousands of dollars)	
Working Capital advances to the Northwest Territories Business Credit Corporation. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three year bond rates at the end of the month	$ 27,550	$ 27,967
Students Loan Fund loans due in installments to 2014, bearing interest between 3.75% and 12.5%, net of allowance for doubtful accounts and loan remissions of $13,467,000 (2000 - $11,750,000)	8,677	8,229
Loans to municipalities due in installments to 2026, bearing interest between 6.50% and 11.27%	4,793	5,490
Other	169	188
	$ 41,189	**$ 41,874**

The amount that is expected to be received in the current year is $2,067,000 (2000 - $1,698,000).

During the year, the following amounts were written off and forgiven with proper authority:

	2001	2000
	(thousands of dollars)	
Students Loan Fund:		
Forgivable loan remissions, including interest	$ 636	$ 670
Write-offs	114	63
	$ 750	**$ 733**

The interest earned on loans receivable during the year was $2,427,000 (2000 - $2,372,000).

11. SHORT-TERM LOANS

Short-term loans of $9,690,000 (2000 - $79,361,000) incur interest at an average rate 5.87% (2000 - 5.04 to 5.89%). Short-term loans were repaid on April 2, 2001. The borrowing limit under the *Borrowing Authorization Act* was $175 million as of March 31, 2001. Interest paid in 2001 was $306,995 (2000 - $2,259,000).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2001	2000
	(thousands of dollars)	
Trade	$ 41,242	$ 42,337
Other liabilities, payroll deductions and contractors' holdbacks	12,468	14,710
Government of Nunavut	17,712	12,679
Employee vacation pay	8,866	7,849
Deferred revenue	1,272	1,312
	81,560	78,887
Payables to related parties:		
Aurora College	1,224	1,122
Divisional Education Councils and District Education Authorities	1,629	699
Hospitals and Regional Health Boards	3,763	3,565
Northwest Territories Development Corporation	2	-
Northwest Territories Housing Corporation	328	1,345
Northwest Territories Power Corporation	809	453
Workers' Compensation Board (Northwest Territories and Nunavut)	743	1,400
	8,498	8,584
	$ 90,058	**$ 87,471**

13. CAPITAL LEASE OBLIGATIONS

	2001	2000 restated (note 3)
	(thousands of dollars)	
Buildings	$ 16,947	$ 18,289
Computers and software systems	230	471
	$ 17,177	**$ 18,760**

Interest expense related to capital lease obligations for the year was $1,975,000 (2000 - $2,110,000). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2001.

	(thousands of dollars)
2002	$ 3,098
2003	2,849
2004	2,849
2005	2,849
2006	2,849
Beyond 2006	18,446
Total minimum lease payments	32,940
Less: imputed interest	15,763

Present value of minimum lease payments	$ 17,177

14. EMPLOYEE FUTURE BENEFITS

	2001	2000
	(thousands of dollars)	
Resignation	$ 11,840	$ 11,069
Removal	5,478	5,775
Retirement	2,188	2,377
	$ 19,506	**$ 19,221**

The expected payments in the current year are $2,470,000 (2000 - $3,209,000).

15. PENSIONS

(a) Pension Liabilities

	2001	2000
	(thousands of dollars)	
Legislative Assembly Supplementary Retiring Allowance	$ 15,625	$ 15,537
Judges' Supplemental Pension Plan	1,408	859
	$ 17,033	**$ 16,396**

The Government also maintains the Legislative Assembly Retiring Allowances Fund and the Territorial Court Judges' Registered Pension Plan. These two pension plans are fully funded, consequently the Government has no liabilities as at March 31, 2001 (2000 - nil). The funds related to these plans are administered by independent trust companies.

The Legislative Assembly Retiring Allowances Fund and the Judges' Registered Pension Plan are contributory defined benefit pension plans. The Legislative Assembly Supplementary Retiring Allowance and the Judges' Supplemental Pension Plan are non-contributory defined benefit pension plans. Benefits provided under the plans are based on service and/or earnings. The Government is liable for all benefits.

Actuarial valuations were completed for the Legislative Assembly and Judges' plans as of March 31, 2000 and April 1, 1999 respectively, using the projected benefit method prorated on service. The valuation is based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts. The actuarial valuations were extrapolated to March 31, 2001, if they were not valued at the balance sheet date.

(b) Pension Expense

Pension expense for the Legislative Assembly Supplementary Retiring Allowance and Judges' Supplemental Pension Plan for the year totalled $1,375,000 (2000 - $1,429,000). The Government's contributions to the Public Service Superannuation Plan were $14,159,000 (2000 - $6,300,000).

16. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to the portion of a tangible capital asset that was gifted or cost-shared from Canada. The most significant being roads and airports. The capital contributions are deferred and amortized to revenue over the same life as the related asset.

	2001	2000 restated (note 3)
	(thousands of dollars)	
Deferred capital contributions at beginning of year	$ 224,585	$ 237,490
Add: Assets gifted or cost shared during the year	2,049	-
Less: Amortization of capital contributions	(12,753)	(12,905)
Deferred capital contributions at end of year	**$ 213,881**	**$ 224,585**

17. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The net revenues or expenses of the Petroleum Products Revolving Fund are charged to the Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $5,000,000.

	2001	2000
	(thousands of dollars)	
Deficit at beginning of the year	$ (3,895)	(2,539)
Less: Petroleum Products Revolving Fund - Net expenses	(268)	(1,356)
Deficit at end of the year	**$ (4,163)**	**$ (3,895)**

18. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

	2001	2000
	(thousands of dollars)	
Workers' Compensation Board (Northwest Territories and Nunavut)	$ 262,349	$ 254,456
Public Trustee	2,585	2,714
Natural resources - capital	335	334
Supreme court	350	273
Other	375	164
Territorial court	119	164
Correctional institutions	149	112
	$ 266,262	**$ 258,217**

The Workers' Compensation Board (Northwest Territories and Nunavut) has a fiscal year end of December 31. Its most recent financial statements and those of the Public Trustee are reproduced in Section III of the Public Accounts of the Government.

19. COMMITMENTS

The Government has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2001:

	Expiry Date	2002	2003-2025	Total
		(thousands of dollars)		
Operational commitments	2006	$ 23,508	$ 18,381	$ 41,889
Commercial and residential leases	2019	9,616	54,295	63,911
RCMP Policing Agreement	2002	18,805	-	18,805
Capital commitments				
- Projects in progress at March 31, 2001	2003	18,634	485	19,119
Equipment leases	2006	1,038	1,084	2,122
Western Harvesters' Assistance Program	2006	314	528	842
		$ 71,915	**$ 74,773**	**$ 146,688**

(a) Commissions Commitment

The government has entered into fuel delivery contracts for 18 communities. All contracts expire by 2006. Under these contracts, fixed commission rates are paid. The value of this commitment cannot reasonably be determined.

(b) Chargeback of Services

The Government has 10 (2000 - 61) cost recovery service agreements with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of Nunavut are estimated at $9,397,000 (2000 - $15,236,000) for the fiscal year 2001-2002.

20. CONTINGENCIES

(a) Contingent Liabilities

The Government is contingently liable for the following:

	(thousands of dollars)
Debentures issued by the Northwest Territories Power Corporation, maturing from 2009 to 2026	$ 128,970
Loans payable by the Northwest Territories Housing Corporation	28,247
Loans payable by the Northwest Territories Power Corporation	39,500
Guarantee operating lines of credit	15,206
Guaranteed residential housing loans	3,082
	$ 215,005

20. CONTINGENCIES (continued)

(b) Equal Pay Complaint

In March 1989, the Public Service Alliance of Canada filed an equal pay complaint against the Government under the *Canadian Human Rights Act*.

Notwithstanding that the complaint is still before a Canadian Human Rights Tribunal, the Government made offers of settlement to individuals and accrued a $33 million provision as its best estimate of the amount needed to settle the equal pay complaint. As of March 31, 2001 the Government has paid out $28.5 million of the amount accrued. The amounts paid are based on legally binding agreements with individual employees and former employees in final settlement of their equal pay claim. The balance of the provision, $4,717,000 (2000 - $6,133,000), will continue to be paid as eligible recipients are located and accept the Government's offer.

For those employees who have received but not accepted the Government's offer, the offers remain open and the complaint remains outstanding. As such there exists a possibility that equal pay costs could exceed or be lower than the amount accrued for these employees. In the event there is an additional or lesser liability, the change will be shared 44.34% with the Government of Nunavut and the balance charged to or recovered from operations in the year when it is determined.

(c) Environmental Restoration Costs

As circumstances and funding have permitted, the Government has been addressing the problem of environmental liabilities. In a number of departments, this process has consisted of identifying sites of potential liability and remediating the sites as necessary.

The Government has identified 373 sites in, or in close proximity to communities, where environmental liabilities may exist. Of these, 102 sites have either been assessed or are owned by the private sector. To date 63 of the 373 sites have been remediated, sold to the private sector or it has been determined no liability exists. Other assessed sites either have remediation plans in place or, are undergoing further study.

In addition there are 166 fuel caches managed by the Department of Resources, Wildlife and Economic Development that are located a distance from communities. Many of these caches, because of their remoteness and the small number of drums involved (with the potential for only limited local contamination), have not yet been formally inspected. Of these sites, 53 have been, or shortly will be, inspected. The Government has plans in place to remove the drums and restore the site to its original condition for 16 of the sites. 52 of the sites currently have no drums stored there.

The Government will continue with its program of site inspection, assessment and remediation on an ongoing basis. In those cases where the cost of remediating sites is quantifiable, an estimated liability is accrued. As at March 31, 2001 cost estimates of sufficient accuracy are not yet available to predict future costs, if any, of restoration, consequently no liabilities have been accrued.

(d) Guarantees

The Government has guaranteed an operating line of credit for Sirius Diamonds Ltd. of $7,900,000, Arslanian Cutting Works (NWT) Ltd. of $5,177,000 and Deton'Cho Diamonds Inc. of $2,129,000. In addition, the Government has guaranteed residential housing loans totalling $3,082,000.

The Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the percentage the Northwest Territories' population is of the total Canadian population.

20. CONTINGENCIES (continued)

(e) Litigation

The Governments of the Northwest Territories and Nunavut are named as defendants in a class action suit. The suit relates to alleged abuse by a former schoolteacher in a region of Nunavut that was formerly part of the Northwest Territories. Damages sought are $23,000,000. The Governments of the Northwest Territories and Nunavut are jointly defending the action and any damages that may eventually be awarded in excess of insurance coverage will be shared by the two Governments 44.34% and 55.66% respectively.

21. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government made grants and contributions to the following related parties.

	2001	2000
	(thousands of dollars)	
Hospitals and Regional Health Boards	$ 125,181	$ 110,932
Education Authorities	87,888	80,859
Northwest Territories Housing Corporation	45,174	46,744
Aurora College	21,774	20,067
Northwest Territories Development Corporation	2,700	2,700
Northwest Territories Business Credit Corporation	696	489
	$ 283,413	**$ 261,791**

The Government funds communities, boards and agencies and other organisations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of these boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services. Direct costs of $58,780,000 (2000- $52,937,000) were incurred and recovered from related parties.

The Government of the Northwest Territories receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is $4,068,000 (2000 - $4,359,000).

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Government of the Northwest Territories Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

March 31, (thousands of dollars)	**2001**		**2000** Restated
	Main Estimates (note 1b)	**Actual**	**Actual** (note 3)
Revenue from Canada			
Grant	$ 513,648	$ 570,956	$ 519,154
Transfer payments	64,340	44,525	52,947
	577,988	615,481	572,101
Taxation			
Personal	54,918	60,351	51,497
Corporate	39,306	102,726	7,629
Tobacco	9,886	9,954	10,220
Fuel	10,832	10,834	7,533
Payroll	8,804	9,409	8,876
Property tax and school levies	8,018	6,993	6,447
Insurance	1,500	1,688	1,529
	133,264	201,955	93,731
Recoveries			
Program	7,280	8,128	6,534
Service	770	1,391	1,120
Lease and accommodations	1,874	1,766	2,139
Commodity sales	37	58	159
Salary recoveries - boards and agencies	75	75	74
Insurance proceeds	30	1,159	487
Air charter	48	52	45
Amortization of capital contributions (note 16)	-	12,753	12,905
	10,114	25,382	23,463
General			
Revolving Funds net revenue	14,470	16,613	15,771
Regulatory revenues	8,447	8,595	8,775
Other general revenues	1,891	1,397	3,293
Investment income	2,083	7,905	2,865
	26,891	34,510	30,704
Grants in Kind	73	-	73
Total Revenues	**$ 748,330**	**$ 877,328**	**$ 720,072**

Government of the Northwest Territories Schedule B

Non-Consolidated Schedule of Expenses (unaudited)

March 31, (thousands of dollars)							**2001**	**2000** Restated (note 3)
	Main Estimates (note 1b)	**Compensation and Benefits**	**Grants and Contributions**	**Valuation Allowances**	**Other**	**Amortization**	**Total Expenses**	**Total Expenses**
Legislative Assembly	$ 11,596	$ 5,753	$ -	$ -	$ 5,445	$ 669	$ 11,867	$ 12,182
Executive	40,453	21,463	7,979	-	11,281	1,112	41,835	34,714
Finance	9,797	2,749	-	1,379	3,311	86	7,525	7,798
Municipal and Community Affairs	58,407	9,784	42,154	103	5,690	1,158	58,889	59,758
Public Works and Services	39,148	13,877	260	14	22,972	2,467	39,590	37,417
Health and Social Services	175,502	13,759	127,605	-	37,277	3,130	181,771	170,770
Justice	61,520	26,595	1,238	-	34,471	309	62,613	55,721
NWT Housing Corporation	43,371	-	45,174	-	-	-	45,174	46,744
Education, Culture and Employment	174,072	14,297	122,603	3,061	24,065	6,086	170,112	159,250
Transportation	68,494	20,306	299	73	26,932	21,217	68,827	65,678
Resources, Wildlife and Economic Development	75,123	27,770	12,985	473	35,226	784	77,238	73,708
	$ 757,483	**$ 156,353**	**$ 360,297**	**$ 5,103**	**$ 206,670**	**$ 37,018**	**$ 765,441**	**$ 723,740**

Government of the Northwest Territories

Schedule 1

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Legislative Assembly					
Recoveries					
Publications	$ 4	$ -	$ 4	$ 5	$ 1
Concessions	1	-	1	3	2
Merchandise	1	-	1	4	3
Third party	-	-	-	1	1
	6	**-**	**6**	**13**	**7**
General revenue					
Fees	1	-	1	-	(1)
Gain on investments	-	-	-	4,433	4,433
	1	-	1	4,433	4,432
	7	**-**	**7**	**4,446**	**4,439**
Executive					
Financial Management Board Secretariat					
Recoveries					
NTPC dividend	4,423	-	4,423	4,083	(340)
Staff Housing	260	-	260	247	(13)
	4,683	**-**	**4,683**	**4,330**	**(353)**
General revenue					
Interest	23	-	23	16	(7)
Fees	4	-	4	34	30
	27	**-**	**27**	**50**	**23**
	4,710	**-**	**4,710**	**4,380**	**(330)**
Finance					
Operating Grant - Canada	513,648	-	513,648	570,956	57,308
Recoveries					
Investment pool costs	175	-	175	206	31
Insured and third party	30	-	30	1,159	1,129
Publications	-	-	-	12	12
	205	-	205	1,377	1,172
Taxation					
Personal	54,918	-	54,918	60,351	5,433
Corporate	39,306	-	39,306	102,726	63,420
Fuel	10,832	-	10,832	10,834	2
Tobacco	9,886	-	9,886	9,954	68
Payroll	8,804	-	8,804	9,409	605
Property tax and school levies	8,018	-	8,018	6,993	(1,025)
Insurance	1,500	-	1,500	1,688	188
	133,264	-	133,264	201,955	68,691

Government of the Northwest Territories

Schedule 1
(continued)

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Finance (continued)					
General revenue					
Liquor Commission	14,380	-	14,380	16,548	2,168
Municipal interest	520	-	520	508	(12)
Fees	400	-	400	168	(232)
Investment interest	100	-	100	684	584
Nunavut administration fees	-	-	-	7	7
Interest	-	-	-	229	229
	15,400	-	15,400	18,144	2,744
	662,517	**-**	**662,517**	**792,432**	**129,915**
Municipal and Community Affairs					
Recoveries					
Land leases	970	-	970	795	(175)
Third party	-	153	153	258	105
	970	153	1,123	1,053	(70)
General revenue					
Licenses	176	-	176	161	(15)
Fees	42	-	42	46	4
Interest	-	-	-	5	5
Capital Recoveries	98	-	98	-	(98)
	316	-	316	212	(104)
	1,286	**153**	**1,439**	**1,265**	**(174)**
Public Works and Services					
Transfer payments					
Federal programs	45	-	45	48	3
Grants					
Grants in Kind	73	28	101	-	(101)
Revenue					
Furniture and equipment	-	-	-	62	62
Recoveries					
Commercial leases	612	-	612	695	83
Water and sewer maintenance	475	-	475	462	(13)
Utility services	50	-	50	50	-
Parking stall rentals	25	-	25	22	(3)
Publications	-	-	-	2	2
Chargebacks	-	-	-	530	530
	1,162	-	1,162	1,761	599

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Public Works and Services (continued)					
General revenue					
Fees	220	-	220	133	(87)
Permits	207	-	207	260	53
Inspections	70	-	70	74	4
Nunavut administration fees	-	-	-	16	16
Registrations	-	-	-	48	48
Capital Recoveries	300	-	300	-	(300)
	797	-	797	531	(266)
	2,077	**28**	**2,105**	**2,402**	**297**
Health and Social Services					
Transfer payments					
Federal cost shared	27,132	-	27,132	22,121	(5,011)
Canadian Health and Social Transfer	26,416	-	26,416	10,615	(15,801)
Federal programs	4,767	-	4,767	5,609	842
	58,315	-	58,315	38,345	(19,970)
Recoveries					
Program recipient	1,918	-	1,918	2,927	1,009
Third party	-	-	-	65	65
Capital contributions	-	-	-	883	883
	1,918	-	1,918	3,875	1,957
General revenue					
Licenses	90	-	90	107	17
Fees	40	-	40	48	8
	130	-	130	155	25
	60,363	**-**	**60,363**	**42,375**	**(17,988)**
Justice					
Transfer payments					
Federal cost shared	4,910	350	5,260	5,228	(32)
Federal programs	70	-	70	94	24
	4,980	350	5,330	5,322	(8)
Recoveries					
Boards and agencies	75	-	75	74	(1)
Program recipient	65	-	65	29	(36)
Air charter	48	-	48	52	4
Publications	16	-	16	11	(5)
Room and board	7	-	7	4	(3)
	211	-	211	170	(41)
General revenue					
Fees	2,227	-	2,227	2,689	462
Fines	372	-	372	355	(17)
Interest	4	-	4	4	-
Nunavut administration fees	-	-	-	6	6
	2,603	-	2,603	3,054	451

	7,794	350	8,144	8,546	402

Government of the Northwest Territories

Schedule 1
(continued)

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Education, Culture and Employment					
Transfer payments					
Federal programs	1,000	-	1,000	809	(191)
Recoveries					
Third party	125	-	125	125	-
Program recipient	20	-	20	* (2)	(22)
Concessions	15	-	15	17	2
Publications	-	-	-	3	3
Commercial leases	-	-	-	2	2
User	-	-	-	1	1
Capital contributions	-	-	-	115	115
	160	-	160	261	101
General revenue					
Interest	307	-	307	442	135
Exam and certification	2	-	2	15	13
Fees	1	-	1	-	(1)
	310	-	310	457	147
	1,470	**-**	**1,470**	**1,527**	**57**
Transportation					
Recoveries					
Third party	419	-	419	431	12
Road / highway maintenance	70	-	70	81	11
Boards and agencies	-	-	-	1	1
Capital contributions	-	-	-	11,533	11,533
	489	-	489	12,046	11,557
General revenue					
Registrations	2,069	-	2,069	2,351	282
Lease	1,231	379	1,610	1,097	(513)
Fees	692	-	692	638	(54)
Licenses	260	-	260	231	(29)
Concession	249	-	249	271	22
Permits	155	-	155	154	(1)
Interest	8	-	8	7	(1)
Exam and certification	6	-	6	16	10
Inspections	1	-	1	1	-
Capital Recoveries	13	-	13	-	(13)
	4,684	379	5,063	4,766	(297)
	5,173	**379**	**5,552**	**16,812**	**11,260**

* Negative revenue is miscellaneous amounts debited in error.

Government of the Northwest Territories

Schedule 1
(continued)

Non-Consolidated Schedule of Revenues

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	FMB Approved Increases(Decreases)	Total Budget	Actual Revenues	Over(Under) Estimates
Resources, Wildlife and Economic Development					
Recoveries					
User	310	-	310	212	(98)
Program recipient	-	423	423	-	(423)
Merchandise	-	-	-	1	1
Capital contributions	-	-	-	223	223
	310	423	733	436	(297)
General Revenue					
Investment interest	1,125	-	1,125	1,576	451
Permits	700	-	700	-	(700)
Licenses	698	-	698	865	167
Stores	90	-	90	65	(25)
Fees	10	-	10	201	191
	2,623	-	2,623	2,707	84
	2,933	**423**	**3,356**	**3,143**	**(213)**
Total operations and maintenance	**$ 748,330**	**$ 1,333**	**$ 749,663**	**$ 877,328**	**$ 127,665**

Government of the Northwest Territories

Schedule 2

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Legislative Assembly						
Office of the Clerk	$ 6,642	$ 200	$ (100)	$ 6,742	$ 7,179	$ (437)
Expenditures on Behalf of Members	4,044	59	100	4,203	3,977	226
Office of the Chief Electoral Officer	440	7	-	447	285	162
Commissioner of Official Languages	345	3	-	348	343	5
Office of the Speaker	125	2	-	127	83	44
	11,596	**271**	**-**	**11,867**	**11,867**	**-**
Executive						
Executives Offices						
Cabinet Secretariat	6,082	396	(6)	6,472	6,332	140
Ministers' Offices	3,463	-	(20)	3,443	3,422	21
Public Utilities Board	401	-	-	401	278	123
Commissioner's Office	184	-	26	210	209	1
	10,130	396	-	10,526	10,241	285
Financial Management Board Secretariat						
Labour Relations and Compensation Services	8,584	250	-	8,834	8,294	540
Government Accounting	7,301	1,128	149	8,578	8,353	225
Directorate	6,748	64	(86)	6,726	7,312	(586)
Budgeting and Evaluation	1,772	133	80	1,985	1,857	128
Audit Bureau	1,186	34	(143)	1,077	1,002	75
	25,591	1,609	-	27,200	26,818	382
Aboriginal Affairs	4,732	102	-	4,834	4,776	58
	40,453	**2,107**	**-**	**42,560**	**41,835**	**725**
Finance						
Treasury	7,431	17	-	7,448	5,171	2,277
Directorate	1,112	42	-	1,154	1,111	43
Fiscal Policy	735	20	-	755	643	112
Bureau of Statistics	519	15	-	534	514	20
Liquor Commission	-	-	-	-	86	(86)
	9,797	**94**	**-**	**9,891**	**7,525**	**2,366**
Municipal and Community Affairs						
Regional Operations	46,654	1,458	335	48,447	47,242	1,205
Directorate	3,711	303	23	4,037	4,025	12
Lands Administration	2,326	47	(196)	2,177	2,174	3
School of Community Government	1,640	20	(112)	1,548	1,363	185
Community Financial Services	1,367	47	9	1,423	1,315	108
Community Development	1,249	50	115	1,414	1,333	81
Emergency Services	855	169	(107)	917	905	12
Community Governance	605	16	(67)	554	532	22

	58,407	2,110	-	60,517	58,889	1,628

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Public Works and Services						
Asset Management	32,025	205	(500)	31,730	31,922	(192)
Directorate	5,945	129	500	6,574	6,471	103
Petroleum Products	566	127	-	693	743	(50)
Systems and Communications	612	119	-	731	454	277
	39,148	**580**	**-**	**39,728**	**39,590**	**138**
Health and Social Services						
Primary and Acute Care Programs	84,088	3,767	-	87,855	88,288	(433)
Health Insurance Programs	35,584	3,409	-	38,993	39,068	(75)
Directorate and Corporate Services	24,462	348	-	24,810	25,212	(402)
Community Health Programs	21,859	(41)	(32)	21,786	19,990	1,796
Children's Programs	9,509	(17)	32	9,524	9,213	311
	175,502	**7,466**	**-**	**182,968**	**181,771**	**1,197**
Justice						
Law Enforcement	18,984	-	-	18,984	18,939	45
Community Justice and Corrections	23,432	1,595	19	25,046	24,073	973
Registries and Court Services	8,922	126	(170)	8,878	9,039	(161)
Corporate Services	6,879	317	158	7,354	7,051	303
Legal Services Board	3,303	23	(7)	3,319	3,511	(192)
	61,520	**2,061**	**-**	**63,581**	**62,613**	**968**
NWT Housing Corporation	**43,371**	**1,803**	**-**	**45,174**	**45,174**	**-**
Education, Culture and Employment						
Education and Culture	105,737	338	(52)	106,023	105,352	671
Advanced Education and Careers	64,181	410	52	64,643	59,804	4,839
Directorate and Administration	4,154	85	-	4,239	4,956	(717)
	174,072	**833**	**-**	**174,905**	**170,112**	**4,793**
Transportation						
Airports	18,723	575	(126)	19,172	19,653	(481)
Highways	34,971	276	(150)	35,097	34,175	922
Corporate Services	6,474	220	369	7,063	7,009	54
Ferries	4,905	16	(8)	4,913	5,421	(508)
Motor Vehicles	2,636	47	(85)	2,598	2,224	374
Community Local Access Roads	568	-	-	568	326	242
Community Marine	217	-	-	217	19	198
	68,494	**1,134**	**-**	**69,628**	**68,827**	**801**

Government of the Northwest Territories

Schedule 2
(continued)

Non-Consolidated Schedule of Expenditures

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
Resource Management and Economic Development	32,212	1,910	161	34,283	34,060	223
Forest Management	29,164	273	(118)	29,319	29,128	191
Corporate Management	11,796	290	127	12,213	12,219	(6)
Environmental Protection	1,951	61	(170)	1,842	1,831	11
	75,123	**2,534**	**-**	**77,657**	**77,238**	**419**
Total operations and maintenance	**$ 757,483**	**$ 20,993**	**$ -**	**$ 778,476**	**$ 765,441**	**$ 13,035**

Government of the Northwest Territories

Schedule 3

Non-Consolidated Schedule of Recoveries of Prior Years' Expenditures

for the year ended March 31, 2001
(thousands of dollars)

DEPARTMENT	Over-Accruals	Recoveries of Valuation Allowances	Other Recoveries	Total
Legislative Assembly	$ -	$ -	$ 3	$ 3
Executive	171	35	2,152	2,358
Finance	9	-	-	9
Municipal and Community Affairs	46	-	(35)	11
Public Works and Services	85	-	10	95
Health and Social Services	1,677	-	(333)	1,344
Justice	105	101	(25)	181
Education, Culture and Employment	345	-	608	953
Transportation	781	-	179	960
Resources, Wildlife and Economic Development	34	-	193	227
	3,253	**$ 136**	**$ 2,752**	**6,141**

Government of the Northwest Territories

Schedule 4

Non-Consolidated Schedule of Summary of Capital Acquisitions

for the year ended March 31, 2001
(thousands of dollars)

DEPARTMENT	Main Estimates	ADD Supp Estimates	Actual Acquistions	(Over)/Under Appropriation
Legislative Assembly	$ 210	$ 166	$ 44	
Executive	680	789	(109)	
Finance	-	-	-	
Municipal and Community Affairs	4,923	4,138	785	
Public Works and Services	5,457	2,377	3,080	
Health and Social Services	8,157	4,753	3,404	
Justice	2,868	1,397	1,471	
Education, Culture and Employment	11,142	9,982	1,160	
Transportation	21,826	20,588	1,238	
Resources, Wildlife and Economic Development	1,619	1,052	567	
	$ 56,882	**$ 45,242**	**$ 11,640**	

Government of the Northwest Territories

Schedule 5

Non-Consolidated Schedule of Grants

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Women's Initiatives	$ 50	$ -	$ -	$ 50	$ 48	$ 2
Native Women's Association (grant in kind)	73	-	-	73	73	-
	123	**-**	**-**	**123**	**121**	**2**
Aboriginal Affairs						
Metis Nation	225	-	-	225	218	7
Aboriginal Organizations	75	-	-	75	79	(4)
	300	**-**	**-**	**300**	**297**	**3**
	423	**-**	**-**	**423**	**418**	**5**
Municipal and Community Affairs						
Grant in Lieu of Taxes	3,492	-	(101)	3,391	3,390	1
Senior Citizens and Disabled Property Tax	210	-	15	225	225	-
NWT Association of Municipalities	130	-	11	141	141	-
NWT Local Government Administrators	5	-	-	5	5	-
Sport North lease (grant in kind)	-	28	-	28	28	-
	3,837	**28**	**(75)**	**3,790**	**3,789**	**1**
Public Works and Services						
Management services for Rockhill Apartments (grant in kind)	**260**	**-**	**-**	**260**	**260**	**-**
Justice						
Aboriginal Court Challenges	40	-	(20)	20	-	20
Canadian Association of Provincial Court Judges	3	-	-	3	3	-
Uniform Law Conference	3	-	-	3	3	-
National Judicial Institute	-	-	-	-	1	(1)
	46	**-**	**(20)**	**26**	**7**	**19**
Education, Culture and Employment						
Student Grants	9,120	-	(534)	8,586	7,165	1,421
Community Broadcasting	52	-	-	52	66	(14)
	9,172	**-**	**(534)**	**8,638**	**7,231**	**1,407**

Government of the Northwest Territories

Schedule 5
(continued)

Non-Consolidated Schedule of Grants

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
Fur Price Program	345	-	118	463	383	80
Small Business Grants	287	-	(57)	230	229	1
Fire Damage Compensation	100	-	-	100	9	91
West Kitikmeot Slave Study (grant in kind)	26	-	-	26	26	-
Disaster Compensation Program	15	-	8	23	23	-
Humane Trap Development	5	-	(5)	-	-	-
Sale of Hay River Abattoir (grant in kind)	-	423	-	423	219	204
Trappers' Fuel Rebate	-	62	-	62	62	-
Fishermens' Fuel Rebate	-	-	6	6	6	-
	778	**485**	**70**	**1,333**	**957**	**376**
Total Operations and Maintenance	**$ 14,516**	**$ 513**	**$ (559)**	**$ 14,470**	**$ 12,662**	**$ 1,808**

Government of the Northwest Territories

Schedule 6

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Executive						
Executive Offices						
Status of Women Council	$ 270	$	$ 13	$ 283	$ 283	$ -
Native Women's Association	175	-	-	175	175	-
Beaufort / Delta Regional Co-ordination	50	-	-	50	50	-
Intergovernmental Forum	-	200	40	240	248	(8)
	495	**200**	**53**	**748**	**756**	**(8)**
Financial Management Board Secretariat						
Power Subsidy	4,580	1,100	-	5,680	5,562	118
Superannuation Costs - NWTPC	939	-	-	939	939	-
Superannuation Costs - WCB	299	-	-	299	299	-
	5,818	**1,100**	**-**	**6,918**	**6,800**	**118**
Aboriginal Affairs						
Self Government	60	-	-	60	5	55
	60	**-**	**-**	**60**	**5**	**55**
	6,373	**1,300**	**53**	**7,726**	**7,561**	**165**
Municipal and Community Affairs						
Municipal Operating Assistance Program	11,881	875	213	12,969	12,897	72
Block Funding	11,471	-	-	11,471	11,488	(17)
Infrastructure - Various Territorial	4,646	850	378	5,874	4,684	1,190
Water Sewer Services Subsidy Program	4,441	-	112	4,553	4,491	62
Settlement Operating Assistance Program	2,961	-	-	2,961	2,931	30
Community Empowerment	964	-	(66)	898	782	116
Transfer Payments (other Government departments)	505	-	(5)	500	500	-
Sport and Recreation	365	-	177	542	548	(6)
Fire Fighting Training	90	-	(22)	68	37	31
Volunteer Development	-	-	3	3	7	(4)
	37,324	**1,725**	**790**	**39,839**	**38,365**	**1,474**
Health and Social Services						
Boards of Management	117,928	7,187	1,527	126,642	125,181	1,461
Strategic Initiatives Fund	1,500	-	-	1,500	1,489	11
Community Wellness Programs	584	-	36	620	673	(53)
Health Awareness, Activities and Education	143	-	-	143	143	-
Medical Professional Development	100	-	-	100	100	-
Recruitment and Retention	-	-	15	15	9	6
Policy and Legislation (NWT RNA)	-	-	9	9	10	(1)
	120,255	**7,187**	**1,587**	**129,029**	**127,605**	**1,424**

Government of the Northwest Territories

Schedule 6
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Justice						
Community Justice	733	-	-	733	625	108
Legal Aid Clinics	300	-	-	300	300	-
Capital Contributions	165	-	-	165	158	7
Victims Assistance	100	-	-	100	100	-
Community Constable Program	50	-	-	50	27	23
New Beginnings Alternate Program	-	-	27	27	-	27
Law Bursaries	-	-	20	20	20	-
Civil Law Justice Forum	-	-	-	-	1	(1)
	1,348	**-**	**47**	**1,395**	**1,231**	**164**
NWT Housing Corporation	**43,371**	**1,803**	**-**	**45,174**	**45,174**	**-**
Education, Culture and Employment						
Education Authority	88,159	269	-	88,428	87,888	540
College Contributions	21,304	365	-	21,669	21,774	(105)
Healthy Children Initiative	1,807	-	-	1,807	1,601	206
Early Childhood Program	779	-	-	779	693	86
Community Income Assistance Delivery	714	-	-	714	-	714
Community Teacher Education Program	673	-	-	673	580	93
NWTTA Professional Improvement Fund	567	-	-	567	578	(11)
Language Communities	443	-	-	443	439	4
Cultural Organizations	259	-	-	259	264	(5)
Literacy Funding	257	-	-	257	227	30
Community Library Services	194	-	-	194	163	31
Community Museums	186	-	-	186	186	-
NWT Arts Council	140	-	-	140	141	(1)
Dene Language Programming	100	-	-	100	100	-
Native Communications	70	-	-	70	70	-
Cultural Projects	61	-	-	61	57	4
Northern Performers	36	-	-	36	36	-
Community Skills for Work	-	-	-	-	575	(575)
	115,749	**634**	**-**	**116,383**	**115,372**	**1,011**
Transportation						
Community Local Access Roads	380	-	-	380	273	107
Community Marine	80	-	-	80	16	64
Motor Vehicles	-	-	10	10	10	-
	460	**-**	**10**	**470**	**299**	**171**

Government of the Northwest Territories

Schedule 6
(continued)

Non-Consolidated Schedule of Contributions

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Main Estimates	Supplementary Estimates	Transfers	Total Appropriation	Actual Expenditures	(Over)Under Appropriation
Resources, Wildlife and Economic Development						
NWT Development Corporation	2,700	-	-	2,700	2,700	-
Business Development Fund	2,329	-	671	3,000	3,000	-
Community Transfer Initiatives	986	-	(76)	910	909	1
Western Harvester Support Program	845	-	(116)	729	728	1
Community Futures	782	-	122	904	904	-
Community Harvester Assistance Program	473	-	(15)	458	456	2
Commercial Fisheries Assistance	395	-	(48)	347	340	7
Interim Resource Management Agreement	375	-	-	375	375	-
Energy Conservation	364	-	(12)	352	344	8
West Kitikmeot Slave Study	349	-	(14)	335	335	-
Diamond Industry Funding	300	-	(300)	-	-	-
Tourism Industry Marketing	279	-	-	279	279	-
Local Wildlife Committees	258	-	(12)	246	246	-
Arctic Energy Alliance	190	-	12	202	202	-
Business Credit Corporation	189	-	(80)	109	108	1
Industry Assistance	180	-	53	233	233	-
Hook Lake Bison Recovery	125	-	-	125	125	-
Northern Accord	105	-	(51)	54	54	-
Prospectors' Assistance Program	90	-	(8)	82	68	14
Wildlife Management Boards	78	-	(6)	72	71	1
Canadian Energy Research Institute	25	-	-	25	25	-
Support to Fur Industry	15	-	-	15	15	-
Inuvialuit Regional Corporation Phase One	-	500	(250)	250	250	-
Inuvik Natural Gas	-	-	190	190	190	-
Gwich'in Tribal Council	-	-	20	20	20	-
Inuvialuit Regional Corporation	-	-	20	20	20	-
University of Calgary Wolf Study	-	-	9	9	9	-
Canadian Association of Petroleum Producers	-	-	8	8	8	-
Canadian Cooperative Wildlife Health Centre	-	-	6	6	6	-
Millennium Trek	-	-	5	5	5	-
Inuit Circumpolar Conference Foundation	-	-	3	3	3	-
	11,432	**500**	**131**	**12,063**	**12,028**	**35**
Total Operations and Maintenance	**$ 336,312**	**$ 13,149**	**$ 2,618**	**$ 352,079**	**$ 347,635**	**$ 4,444**

Government of the Northwest Territories

Schedule 7

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose	Date of FMB Approval	Amount Authorized
Legislative Assembly			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	$ 128
Executive			
Executive Offices			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	196
Financial Management Board Secretariat			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	421
Aboriginal Affairs			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	102
Finance			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	114
Municipal and Community Affairs			
	To provide funding for the continuation of projects which were not completed in the 1999-2000 fiscal year. These projects no longer qualify as tangible capital assets under the new accounting policies for Tangible Capital Assets.	29-Sept-00	962
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	327
Public Works and Services			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	551
Health and Social Services			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	1,877

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Purpose	Date of FMB Approval	Amount Authorized
Justice			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	991
Northwest Territories Housing Corporation			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	253
Education, Culture and Employment			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	1,009
Transportation			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	654
Resources, Wildlife and Economic Development			
	To provide funding for the additional expenses to be incurred as a result of the finalization of a collective agreement between the GNWT and the Union of Northern Workers.	23-Jan-01	766
Total Operations and Maintenance			$ 8,351

Government of the Northwest Territories

Schedule 7
(Continued)

Non-Consolidated Schedule of Special Warrants

for the year ended March 31, 2001
(thousands of dollars)

CAPITAL	Purpose	Date of FMB Approval	Amount Authorized
Executive			
Financial Management Board Secretariat			
	To authorize a capital investment to purchase property pursuant to the Employee House Purchase Program. The net effect on the Government's financial position should be nil as the funding will be recovered when the units are sold.	08-Jan-01	$ 110
Municipal and Community Affairs			
	To provide funding for the continuation of projects which were not completed in the 1999-2000 fiscal year.	29-Sept-00	1,103
Public Works and Services			
	To authorize capital investment to complete the conversion to a Fiber Optics Network in the 2000 calendar year.	29-Sept-00	480
Transportation			
	To authorize capital investment to accelerate the bridge-building program on the MacKenzie Valley Winter Road.	17-Jan-01	3,142
Total Capital			$ 4,835

Government of the Northwest Territories

Schedule 8

Non-Consolidated Schedule of Inter-activity Transfers over $250,000

for the year ended March 31, 2001
(thousands of dollars)

OPERATIONS AND MAINTENANCE	Transfer to (from)	Explanation
Municipal and Community Affairs		
Directorate	$ (116)	At the end of the second quarter, the Department conducted extensive analysis of its year end expenditure projections and re-aligned its budget accordingly to meet these obligations.
Community Governance	(119)	
Land Administration	(149)	
Community Development	127	
Regional Operations	257	
Public Works and Services		
Directorate	300	Surplus funds in Asset Management were identified through the Department's second quarter variance analysis and used to fund the shortfall in Directorate that resulted from the restructuring of chargebacks to departments for Corporate Systems & Communications, as well as, the cost of the Digital Communications Network Contract.
Asset Management	(300)	
Transportation		
Corporate Services	286	To fund the increase to the Department's chargeback for Corporate Systems & Communications, as well as, its share of the Digital Communication Network which is now being charged back to all departments. The Department was instructed to fund any increases to its chargeback internally.
Ferries	(8)	
Highways	(124)	
Airports	(126)	
Motor Vehicles	(28)	
CAPITAL INVESTMENT		
Health and Social Services		
Community Health Programs	$ (281)	The foundation repair that was scheduled for the Alcohol and Drug Treatment Centre on the Hay River Reserve was delayed to the fall of 2001 to allow for further monitoring by the Department of Public Works and Services. Funding for this project was consequently transferred to the Inuvik Hospital Project which required additional funding in 2000-2001 because the project schedule was accelerated.
Primary and Acute Care Programs	281	

Government of the Northwest Territories

Schedule 9

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities (Summary)

for the year ended March 31, 2001
(thousands of dollars)

	Original Amount	Principal Balance March 31, 2000	New Loans	Principal Repayments	Principal Balance March 31, 2001
Municipality of Fort Smith	2,765	2,673	-	18	2,655
Municipality of Fort Simpson	353	243	-	37	206
Municipality of Inuvik	3,841	2,419	-	567	1,852
Municipality of Norman Wells	350	155	-	75	80
	$ 7,309	**$ 5,490**	**$ -**	**$ 697**	**$ 4,793**

Government of the Northwest Territories

Schedule 9
(continued)

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities

for the year ended March 31, 2001
(thousands of dollars)

	Year of Maturity	Interest Rate	Original Amount	Principal Balance March 31, 2000	New Loans	Principal Repayments	Principal Balance March 31, 2001
Municipality of Fort Smith							
43 Personal care facility, Amalgamation of debentures #39 and #41	2026	11.27	2,765	2,673	-	18	2,655
			2,765	**2,673**	**-**	**18**	**2,655**
Municipality of Fort Simpson							
6 Fire hall addition; refinance debenture #5	2006	9.00	136	80	-	10	70
7 Fire truck and alarm system	2008	9.00	67	45	-	4	41
8 Wildrose Acres sub-division	2007	6.50	150	118	-	23	95
			353	**243**	**-**	**37**	**206**
Municipality of Inuvik							
33 Refinance previous debentures	2005	8.25	944	376	-	376	-
34 Refinance previous debentures	2010	8.34	1,657	982	-	117	865
35 Recreation centre	2007	7.30	400	310	-	36	274
36 Recreation centre completion	2012	8.05	690	609	-	34	575
37 Recreation centre completion	2017	7.80	150	142	-	4	138
			3,841	**2,419**	**-**	**567**	**1,852**
Municipality of Norman Wells							
9 Residential subdivision	2001	7.40	350	155	-	75	80
			350	**155**	**-**	**75**	**80**
			$ 7,309	**$ 5,490**	**$ -**	**$ 697**	**$ 4,793**

Government of the Northwest Territories

Schedule 10

Schedule of Other Long-term Receivables

for the year ended March 31, 2001
(thousands of dollars)

	Principal Balance March 31, 2000	New Loans	Principal Repayments	Principal Balance March 31, 2001
Agreements for Sale	$ 193	$ -	$ 7	$ 186

Government of the Northwest Territories

Schedule 11

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2001

ACCOUNTS RECEIVABLE WRITTEN OFF

Executive	
Financial Management Board Secretariat	
Modeste, Goldie Rose	$ 852
Reed, Shawn	700
Saint, J.	2,430
	3,982
Finance	
Gasga-Olton Ltd.	625,538
Mug Holdings	598
YK Pizza & Deli	2,737
	628,873
Municipal and Community Affairs	
Cap Mountain Ventures Ltd.	747
Morton, Ross	750
Tatzia, Charlie	1,650
Wedzin, Archie	950
Wilson & Enrochie	1,030
Wright, Wilbert	1,100
	6,227
Public Works and Services	
MacLeod, E.N.	4,918
	4,918
Health and Social Services	
Cane, T.	4,178
Creighton, D.	655
Demeulenaere, R.	1,325
Health and Social Services Committee	4,000
Leschied, J.	8,318
Riley, R.	673
Whitehead, M.	527
	19,676
Education, Culture and Employment	
Aviugana, Myma	1,012
Betsina, Marjorie	675
Camsell, Nancy	520
Cook, Edward J.	2,186
Doctor, Elise	4,675
Francis, Ernie	975
Illastak, James A.	649
Inuvik Day Care Centre	10,000
Kanayok, Sharon	920
Marten, Marlyn	1,000
McKay, Darryll	1,045
Modeste, Goldie	523
Pomfrey, Brian	632
Taureau, Lena	4,620
Uviluq, Marie	1,828
	31,260

Transportation	
Snowshoe, N.	858
	858
Total Accounts Written Off Over $500	**695,794**
All Departments - Other Miscellaneous Accounts Less Than $500	**6,236**
Student Loan Interest Written Off	**11,749**
Accounts Forgiven,Not Previously Written Off 2000 / 2001 Forgiveness	10,969
Total Accounts Written Off	**724,748**
Student Loan Fund	
Bilodeau, Adrian	1,914
Blanchard, Constance	3,215
Boulanger, Margaret	8,485
Callaghan, Shari	7,315
Delaunier, Marc A.	11,523
Doctor, Elise	9,764
Haslam, Jonathon	9,266
Henderson, Chris	2,441
Martin, Marlyn	6,387
Nitsiza, Eva	20,000
Saint, J.	32,385
Wolfchild, Rebecca	1,836
Total Loans Written Off	**114,531**
Total Accounts and Loans Written Off	**$ 839,279**

FORGIVENESS

Accounts Forgiven, 2000 / 2001 Forgiveness	10,969

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2001

STUDENT LOAN REMISSIONS

Under the Student Financial Assistance Regulations, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans.

Adkins, Gabriele	$ 2,321	Day, Clara	1,115
Aho, Nancy	3,107	Dean, Shaun	1,472
Ambrose, Clint	3,614	Deans, Tyler	2,194
Arey, Mayvis	1,017	Debogorski, Curtis	1,578
Arey, Verna	976	Dekock, Ottilia	2,606
Armstrong, Brian	3,374	Delorey, D'arcy	1,151
Arther, Janet	1,862	Desjarlais, Michelle	1,652
Ashton, Scott	1,817	Dewsberry, Neil	4,083
Ashton, Toderick	1,554	Dexter, Alison	635
Asling, Terry	2,850	Dias, Joyce	2,200
Auge, Brian	2,773	Dias, Michelle	2,203
Avery, Bradley	2,080	Dillabough, Su-Ellen	1,923
Avery, Mark	5,033	Doyle, Marie	1,049
Bailey, Jennifer	781	Drescher, Michael Sr.	1,512
Balaski, Monica	1,926	Duggan, Moira	3,107
Bancroft, Brenda	2,200	Dumont, Melanie	1,315
Barnes, Deborah	623	Edgson, Melodie	1,873
Barnes, Keith	704	Edwards, Gladis	1,365
Barnes, Krista	3,103	Elkin, Derek	1,985
Baumann,Wolfgang	1,718	Emaghok, Georgina	1,181
Beaumont, Mansel	4,910	Emsley, Cory	1,600
Beck, Lewis	1,800	Erasmus, Eileen	2,313
Beck, Louise	2,573	Eskelson, Ray	5,774
Belyea, Jennifer	948	Evans, Sylvie	632
Bennell, Cynthia	1,533	Eyakfwo, Celine	1,217
Benoit, Brenda	3,239	Falconer, Melody	1,323
Blesse, Di Ann	1,332	Felix, Lorretta	1,069
Boado-Ramirez, Asuncion	805	Fillatre, Gerald	1,915
Boden, Rebecca	2,187	Fillion, Darren	1,462
Boldt, Terri	2,600	Fletcher, Melissa	1,164
Bolt, Sheldon	4,500	Gallagher, Lisa	1,430
Bourassa, Christopher	832	Gallagher, Steven	2,891
Bourque, Mary	2,713	Gamble, Alastair	2,167
Brissette, Nicanora	750	Gau, Robert	1,480
Brown, Tawna	1,822	Golding, Sonya	3,200
Buckley, Wendy	2,307	Gow, Michelle	1,882
Campbell, Joel	1,833	Green, Bruce	1,545
Campbell, Josh	1,866	Green, Paul	1,447
Carr, John	1,915	Green, Kirsten	2,233
Castro, Enriqueta	2,850	Greenland, Angela	1,874
Chalifoux, Brenda	2,745	Greenland, Heather	2,655
Chatman, Jody	577	Griffore, Tanya	2,334
Christensen, Julia	1,997	Guinan, Derran	2,039
Chueng, Gina	1,710	Haller, Lance	1,470
Clark, Holly	2,000	Hamer, Coralee	1,307
Cockey, Evelyn	1,775	Hamilton, Judith	1,140
Comin, Wade	1,140	Hamilton, Lisa	2,088
Connolly, Greg	1,238	Hamm, Nicole	1,438
Costache, Monty	1,817	Handley, Patricia	1,578
Cottam, Marlene	1,455	Harney, Kami	2,014
Cottrell, Corey	1,600	Hart, Robert	4,357
Couturier, Marie	5,365	Hartery, Keith	4,694
Coyne, Erin	5,343	Hartery, Bruce	2,606
Craig, Crystal (Gaudry)	2,943	Hartlen, Tracey	2,302
Croizier, Mari	2,088	Hauff, Tara	987
Curran, Eletha	1,677	Hawkins, Robert	1,446
Curran, Peter	1,743	Hayward, Jodi	2,249
Cutten, Murray	1,373	Hernandez, Myra	2,715
Cymbalisty, Lindsey	2,721	Hill, Duncan W.R	3,189

Dalton, Catherine	3,570	Hodgkins, Sarah	2,195

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2001

STUDENT LOAN REMISSIONS (continued)

Hogan, Bernard	1,718	McDuff, William	1,354
Hopkins, Margo	1,197	McGregor, Fiona	1,140
Horton, Mark	2,308	Melander, Patricia	2,808
Houweling, Michelle	2,195	Menzies, Jennifer	1,455
Howie, Jason	549	Migwi, Cecilia	1,644
Hunt, Christopher	1,635	Monchuk, David	1,247
Huskey, Peter	500	Monroe, Elizabeth	2,954
Huynh, Long	2,491	Moore, Lynette	1,678
Inch, Jennifer	2,474	Morris, Sally	2,197
Irani, Gloria	2,598	Morton, Kip	2,622
Jaud, Rebecca	5,403	Mulders, Annemieke	1,016
Johnson, Matthew	2,778	Munro, Kirstin	1,368
Johnston, Tracy	799	Munro, Larry	3,770
Jones, Adrienne	1,595	Murphy, Christopher	1,109
Jones, Leslie Anne	2,211	Murphy, Sandra	5,058
Jones, Rawlyn	2,167	Naidoo, Nalini	4,118
Joss, Sadie	1,471	Napier, Laurie	3,444
Kaeser, Christine	2,063	Nind, Ben	2,433
Kanwal, Amrik	2,850	Nitsiza, Bella	12,500
Kanwal, Kiran	3,008	Noel, Jason	1,633
Kay, Ruth	964	Nolting, Ulli	4,165
Kelly, Marie	1,718	Oliktoak, Mollie	1,464
Kelly, Allicia	871	Olsen, Shari	1,808
Kemeys-Jones, Shirley	1,496	Pascal, Olive	1,636
Kidston, Samantha	4,800	Pelechaty, David	2,853
Kidston, Tanya	1,775	Peterson, Amanda	1,447
Kirbyson, Holly	1,423	Peterson, Joanne	2,524
Korotash, Wayne	2,844	Phillpot, Darha	847
Kovalench, Shelly	6,318	Pierce, Kelly	3,924
Kupeuna, Rosie	1,480	Pieroni-Lewis, Catherine	1,989
Lambert, Kenneth	1,600	Poluk, Shane	3,200
Lange, Jennifer	1,833	Power, Patricia	3,255
Langlois, Colette	1,381	Praamsma, William	3,937
Latour, Colinda	2,022	Puech, Lucien	2,266
Legge, Stephen	1,600	Ramm, Michelle	3,200
Lehmann, David	1,615	Ransom, Angela	2,973
Lennie-Misgeld, Janpeter	2,112	Readman, Niada	3,507
Leonard, Deanna	4,184	Reddy, Tina	4,674
Li Hui, Mui	1,428	Rennie, John	2,249
Lyons, Bette	1,012	Riddell, Sara	3,351
Ma, David	2,200	Ridgely, Melanie	1,263
MacAskill, Cathy	1,997	Rieger, Chrystal	1,154
Macdonald, Erin	1,682	Roberts, June	1,444
MacIntosh, Nick	2,524	Robertson, Scott	3,485
MacLean, Ron	2,214	Robinson, Craig	1,397
Macneil, Susan	1,841	Rogers, Lena	1,455
Macphee, Kathy	3,666	Romie, Diane	1,792
Mah, Lisa	3,713	Rudolph, Christine	2,123
Mantla, Alestine	1,849	Schauerte, Gary	1,266
Mantla, Theresa	1,082	Shea, Cherie	1,899
Marchiori, Dennis	1,130	Slade, Samantha	2,452
Marinic, Anna	1,406	Sluggett, Micheal	824
Marlowe, Evelyn	1,718	Smit, Emelye	3,200
Marrai, Francesco	2,250	Smith, Clayton	1,627
Marrai, Liliano	2,000	Smith, Heather	4,344
Martin, Jordan	797	Snyder, Alana	1,628
Matchet, Darrell	3,187	Sorenson, Robin	1,600
Mathison, Jeannie	1,455	Soucey, Ofelia	530
Mathison, Stephen	4,488	Soucy, Ofelia	1,131
Matthews, Ioan	3,461	Stapleton, Susan	3,200
Maw, Lester	1,504	Stevens, Lee-Anne	2,039
McCagg-Nystrom, Heather	1,340	Stewart, Bruce	4,137
McCann, Shawn	3,214	Stewart, Scott	1,027

McClelland, Richard	2,803	Strader, Marika	2,074

Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions

for the year ended March 31, 2001

STUDENT LOAN REMISSIONS (continued)

Straker, Benji	2,304
Sumcad, Cygni	5,080
Testart, Tawanis	1,997
Thorburn, Tracey-Lynn	522
Tolley, Charles	3,233
Trinh, Lang	2,200
Tutton, Wayne	1,181
Tweed, Jennifer	3,665
Vail, Robert	2,414
Van Vliet, Carmen	1,818
Van Vliet, Mark	3,217
Varkonyi, Nini	1,340
Wagner, Erin	5,346
Wagner, Nicole	2,622
Walsh, Kerry	3,206
Walsh, Jennifer	3,200
Walters, Roberts	3,200
Warsame, Victoria	1,554
Watier, Elizabeth	1,948
Weaver, Sharon	3,543
White, Thomas	1,914
White, David	4,088
Williams, Martha	1,020
Willier, April	1,829
Willoughby, Scott	1,480
Willy, Jean	3,906
Winsor, Michael	1,914
Wood, Stacey	1,110
Woodburn, Thomas	1,611
Worsley, Debra	5,754
Wowk, Meagan	3,436
Wyse, John	3,017
Total Loan Remissions over $500	**631,829**
Miscellaneous Remissions under $500.	**3,803**
Total Loan Remissions	**$ 635,632**

Government of the Northwest Territories

Schedule 12

Non-Consolidated Schedule of Inventory Write-offs and Deletions over $500

for the year ended March 31, 2001

Petroleum Products	$	155,565

Government of the Northwest Territories

Schedule 13

Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off

for the year ended March 31, 2001

Municipal and Community Affairs	
Boden, Peter Thomas	$ 17
Camsell, Ernie	250
Inuktalik, Donald	430
Koe, Kenneth Joseph	765
Mantla, Edward	191
	1,653
Public Works and Services	
Green, Peter	59
MacLeod, Ellen	106
McPherson, Rose	37
Moore, Harold	36
Paul, Clement David	20
	258
Health and Social Services	
Allen, Garry	100
Beaulie, Edward	30
Berman, Jeffrey	107
Bird, Beatty	100
Blake, Charles	107
Byland, Micheal	40
Collinson, Edward	10
Firth, Kelly	50
Hunt, Susan	510
Hurst, Janet	7
Itsi, Loretta	35
Johnson, Cheryl	100
Mandeville, Violet	137
Maurice, Matthew R.	65
Mercredi, Allan	107
Moore, Harold	64
Nasogoluak, Darren	11
Nicholls, Margaret	100
Pope, Catherine	100
Reindeer, Rachel	25
Scheper, Mary Rose	28
Wedawin, Ernest	155
Yakeleya, Carl	53
	2,041
Justice	
Bonnetplume, Corneli	8
Catholique, Dwayne	32
Esau, Merle	46
Hope, Thomas W.	15
Horesay, Davis W.	126
Keevik, Stanley	92
	319
Resources, Wildlife and Economic Development	
Causa, John	$ 18
Constant, Louis	150
Dook, Margaret	600
Dryneck, Johnny Sr.	300
Eyakfwo, Brun	10
Nadii, Modeste	7
Sangris, Archie	28
	1,113
Total Debts Recovered	$ 5,384
Student Loans Recovered	
Betsina, Raymond V.	1,372
Boissoneau, B.	35
Desjarlais, Joyce	1,835
Doyle, Dennis	41
Elliot, David M.	68
Goose, Leanne Maidie	220
Hunt, Richard	604
Kelly, Freda	194
Kilabuk, Noah	1,015
Koe, Kenneth Joseph	92
Konayok, L.	132
Mackeinzo, Ronald Bobby	137
McDonald, Madeline Beatrice	405
McKay, Michelle Therese	2,000
Minoza, Gabriel	182
Mitchell, Brian Campbell	1,050
Modeste, Andrew	400
Oliktoak, Jason	5
Raddi, Fred	235
Sharpe, Cheryl	300
Shore, Alana	118
Simard, Michelle Brandy	1,498
Tetso, Frank	54
Tonka, Ernest	282
Widow, Keith	115
Wilson, Erin Marie	20
	12,409
Total Student Loans Recovered	$ 12,409

Government of the Northwest Territories

Schedule 14

Non-Consolidated Schedule of Overdue Travel Advances

as at March 31, 2001

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

Justice

Carnogursky, Dinah	$ 400
Debastien, Matilda Mary	793
Esau, Peter	277
Garven, Christopher	400
Harley, Shirley Ann	196
	2,066

Education, Culture and Employment

Francis, Enna Bella	$ 416
	416

Resources, Wildlife and Economic Development

Matthews, Douglas	570
	570

Total Overdue Travel Advances	**$ 3,052**

Government of the Northwest Territories

Schedule 15

Non-Consolidated Schedule of Lease Commitments

for the year ended March 31, 2001
(thousands of dollars)

		2002	2003	2004	2005	2006	2007-2019	Total
Yellowknife	Commercial	$ 6,869	$ 6,552	$ 6,237	$ 5,126	$ 7,028	$ 11,213	$ 43,025
	Residential	295	295	295	296	296	892	2,369
		7,164	**6,847**	**6,532**	**5,422**	**7,324**	**12,105**	**45,394**
Fort Smith	Commercial	1,066	758	652	644	606	4,945	8,671
	Residential	-	-	-	-	-	-	-
		1,066	**758**	**652**	**644**	**606**	**4,945**	**8,671**
Inuvik	Commercial	1,042	857	793	720	383	1,926	5,721
	Residential	344	344	344	344	344	2,405	4,125
		1,386	**1,201**	**1,137**	**1,064**	**727**	**4,331**	**9,846**
		$ 9,616	**$ 8,806**	**$ 8,321**	**$ 7,130**	**$ 8,657**	**$ 21,381**	**$ 63,911**

Government of the Northwest Territories

Schedule 16

Non-Consolidated Schedule of Guarantees and Indemnities

for the year ended March 31, (thousands of dollars)	2001	2000
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation and Canada	$ 28,247	$ 28,700
Sinking fund debentures issued by the Northwest Territories Power Corporation		
a) maturing March 9, 2009	20,000	20,000
b) maturing June 6, 2011	15,000	15,000
c) maturing May 28, 2012	20,000	20,000
d) maturing May 12, 2014	20,000	20,000
e) maturing October 27, 2018	10,000	10,000
f) maturing February 27, 2026	20,000	20,000
Debenture series issued by the Northwest Territories Power Corporation		
a) maturing May 1, 2025	7,642	7,714
b) maturing October 1, 2025	7,661	7,733
c) maturing September 1, 2026	8,667	8,751
Loans payable by the Northwest Territories Power Corporation		
a) banker's acceptance	19,500	18,000
b)floating rate capital loan facility	20,000	-
Guarantee of operating lines of credit	15,206	7,000
Guarantee of residential housing loans	3,082	3,082
	$ 215,005	**$ 185,980**

Government of the Northwest Territories

Schedule 17

Non-Consolidated Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2001

Legislative Assembly	
Millennium - Capital Site	$ 48,735
Official Languages	19,303
	68,038
Executive	
Executive Offices	
Intergovernmental Forum Contributions	445,000
Secondments	66,787
French Languages	3,135
	514,922
Financial Management Board Secretariat	
Equal Pay Litigation	1,526,543
French Languages	2,997
	1,529,540
Aboriginal Affairs	
Secondments	273,585
Interchange Canada Agreement	271,488
Gwich'in Land Claims Implementation	124,350
Inuvialuit Implementation	95,707
Sahtu Land Claims Implementation	69,927
	835,057
	2,879,519
Finance	
Nunavut Expenditure Contracts	102,123
French Languages	1,662
	103,785
Municipal and Community Affairs	
Service Canada	215,255
Community Government Training Program	203,366
Government of Nunavut, Land Administration	189,143
Community Government Administration Training	164,369
Search and Rescue Training	47,850
Search and Rescue Prevention	27,000
Inuvialuit Final Agreement	23,309
Interprovincial Sport and Recreation Council	20,000
French Languages	10,891
Sahtu Land Claim	306
Gwich'in Land Claim	306
	901,795

Government of the Northwest Territories

Schedule 17
(continued)

Schedule of Projects for Canada, Nunavut and Others
- Expenditures Recovered

for the year ended March 31, 2001

Public Works and Services

Nishi Khon Centre Building Upgrade	633,470
Aurora College - Fort Smith	399,996
Aurora College - Inuvik	389,615
Inuvik Regional Hospital	341,740
Jan Stirling Centre Tenant Improvements	330,000
Asset Management Support Services	148,657
Secondments	128,340
Colville Lake Granular Haul	112,308
Northwest Tower Tenant Improvements	96,168
Beaufort / Delta Divisional Board	92,431
French Languages	78,025
Systems and Computer Services - Nunavut Agreement	59,761
Petroleum Products Division Services to Government of Nunavut	28,695
Nunavut Incremental Infrastructure - Federal Government	21,618
Nunavut Incremental Infrastructure - Government of Nunavut	15,008
Aurora College - Yellowknife	7,323
	2,883,155

Health and Social Services

Hospital Insurance and Health and Social Services Administration	6,132,000
Brighter Futures	2,941,817
Canada Pre-natal Nutrition Program	693,555
Nunavut Services Agreement	323,649
Home and Community Care	288,301
Aboriginal Diabetes Initiative	236,525
French Language Services	184,243
Northern Native Alcohol and Drug Addiction Program Treatment and Training	141,536
Brighter Futures - Program Management	116,484
Aboriginal Languages	28,667
Hepatitis C / Federal Cost Sharing Agreement	28,289
Fetal Alcohol Syndrome / Effects	21,000
Territorial Wellness	12,102
	11,148,168

Government of the Northwest Territories

Schedule 17
(continued)

Schedule of Projects for Canada, Nunavut and Others
- Expenditures Recovered

for the year ended March 31, 2001

Justice

Exchange of Services - Nunavut (Adult)	848,352
Legal Aid Administration - Nunavut	691,043
Official Languages - French	484,000
Youth Justice Renewal Strategy	381,847
Court Services Video Conferencing Project	165,721
Statute Revision Project	165,000
Legal Services Board Symposium	149,788
Family Justice Project	145,000
Legal Registries - Nunavut	89,904
Public Trustee - Estates Clerk	78,500
Legal Services for NWTHC	50,000
NWT Law Foundation	50,000
Victims Services Project	50,000
Gwich'in Land Claims	44,500
Sahtu Land Claims	40,261
Youth Justice Renewal Training Seminar	25,500
Canadian Centre for Justice Statistics Survey	20,300
Law Society of the NWT	20,000
Community Justice Committee Project	18,822
Corrections Offender Management System Training	18,506
Youth Justice Renewal Training Seminar	17,500
Victims Assistance Conference	16,487
RCMP - Yellowknife 50th Street Project	7,644
Court Services - Nunavut	4,984
Exchange of Services - Nunavut (Youth)	1,147
	3,584,806

Education, Culture and Employment

Labour Market Development Agreement	4,814,730
Canada / NWT Cooperation Agreement	3,010,039
Nunavut Contracts	1,417,601
Secretary of State - French	1,122,947
NWT Virtual Library Project	247,771
University College Entrance Program	239,669
Ecole Alain St. Cyr	177,145
Geographic Information System Project	45,000
Gwich'in Clothing Project	43,197
Post Secondary Student - Millennium Scholarship	40,000
IDA's Trail Virtual -- SPELL OUT	35,348
Exhibit Upgrading	27,950
Gwich ' in Land Claims	27,000
Preservation Management	19,487
Sahtu Land Claims	16,000
Archaeology Assistant	15,420
Control of Holdings	15,300
CBC Radio Audio Materials	9,032
Bern Will Brown Photo Duplication	7,574
Archives Database Training	6,420
	11,337,630

Government of the Northwest Territories

Schedule of Projects for Canada, Nunavut and Others - Expenditures Recovered

for the year ended March 31, 2001

Transportation

NWT / NAV Canada Community Aerodrome Radio Services Agreement	3,014,588
Coast Guard Minor Marine Works	329,154
Motor Carrier Exchange Program	177,176
National Safety Code	128,972
Alberta Road Maintenance	106,111
Coast Guard Small Boat Safety Program	100,000
Fort Simpson Chip Sealing	33,000
Nunavut Small Boat Safety Program	29,780
Frog Creek Management Plan	24,377
Nunavut Motor Vehicles Support	17,966
French Languages	16,061
NAV Canada On the Job Training Support	10,000
Hay River Corridor Access Road Maintenance	7,940
Transportation Planning Services - Nunavut	5,636
Kerchoffer River Bridge repairs	4,994
	4,005,755

Resources, Wildlife and Economic Development

Inuvialuit Land Claim Implementation	2,814,394
Secondment	191,734
Sahtu Land Claim Implementation	146,000
Gwich'in Land Claim Implementation	136,000
Sahtu Geographic Information Project	102,849
West Kitikmeot Slave Study - Bathurst Caribou	82,000
Nunavut Chargeback Agreements	75,949
West Kitikmeot Slave Study - Habitat / Vegetation Classification	73,000
Bluenose Caribou Study	67,300
Dall Sheep Study	60,533
Climate Change Action Fund - Greenhouse Gas Study	46,993
Protected Areas - Geographic Information System	37,000
French Languages	35,242
Bison Control Program	32,879
Inuvik Gas Assistance Program	30,000
Northern Contaminants Program - Caribou	24,600
Sahtu Banding Project	22,500
Caribou Monitoring Program	10,000
West Kitikmeot Slave Study - Eskers / Wolves Project	10,000
Breeding Bird Surveys	7,500
	4,006,473

Total	**$ 40,919,124**

SECTION IV

FINANCIAL INDICATORS

(Unaudited)

TABLE OF CONTENTS

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INTRODUCTION

The Public Accounts of a government report on the fiscal year's revenues and expenses and how they relate to the overall surplus or deficit position of the Government. It is important to note that the financial condition of a government is often quite different from the financial condition of the economy.

A research study conducted by the Canadian Institute of Chartered Accountants states:

The financial health of a government is it's financial health as measured by sustainability, vulnerability and flexibility, looked at in the context of the overall economic and financial environment. These terms are defined as follows:

- *Sustainability: the degree to which a government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.*
- *Flexibility: the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.*
- *Vulnerability: the degree to which government becomes dependent on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.*

The following information is based on the Government of the Northwest Territories as it exists after the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories which took place on April 1, 1999. The information is provided to assist readers of the Consolidated Public Accounts in their assessment of the Government's financial health. Information relating to assets or liabilities of the Government is specific to a point in time, whereas information relating to revenues and expenses encompasses the results of a fiscal year.

GROSS DOMESTIC PRODUCT COMPARISONS

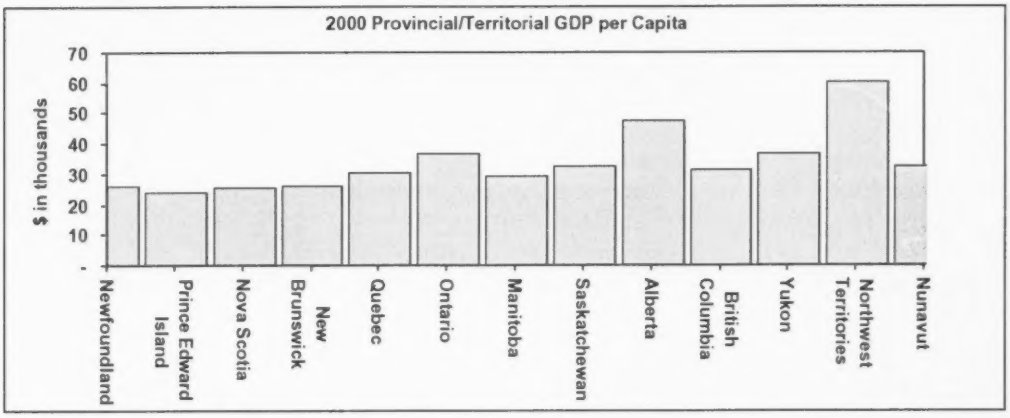
Gross Domestic Product (GDP) represents the total unduplicated value of goods and services produced within the geographical boundaries of a country, or province or territory irrespective of whether the factors of production involved are resident or non-resident. GDP is typically measured in two ways: as total incomes earned in current production (income-based); and, as total final expenditure on current production (expenditure-based). Both methods yield the same estimate of GDP. Estimates of GDP are typically expressed at market prices, which includes the impact of taxes and subsidies in the estimate.

For the Northwest Territories (NWT), Statistics Canada estimates current dollar GDP at market prices at $2,476 million for 2000; this represents an increase of 17.1% over the 1999 estimate of $2,114 million. The 1999 GDP estimate was the first produced by Statistics Canada for the NWT since division in April 1999. A preliminary estimate of 2001 GDP for the NWT, along with the other provinces and territories, is scheduled for release in April 2002.

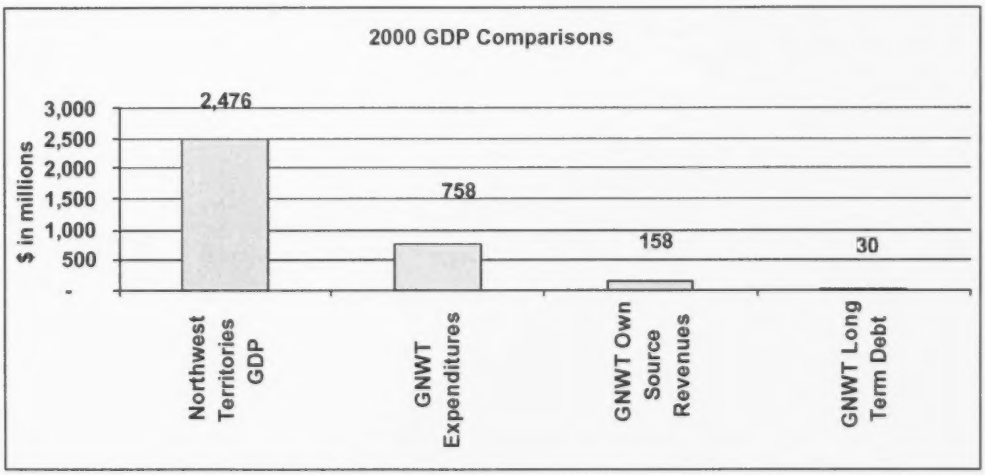
Gross Domestic Product at Market Prices, 1999 and 2000
Canada, Provinces and Territories
Current Dollars ($millions)

	2000	1999	Percent Change
Canada	1,056,910	975,913	8.3
Northwest Territories	2,476	2,114	17.1
Nunavut	895	841	6.4
Yukon	1,124	1,106	1.6
British Columbia	127,564	120,608	5.8
Alberta	143,034	116,801	22.5
Saskatchewan	33,512	30,103	11.3
Manitoba	33,780	31,760	6.4
Ontario	429,530	405,625	5.9
Quebec	223,481	209,490	6.7
New Brunswick	19,709	18,688	5.5
Nova Scotia	24,061	22,982	4.7
Prince Edward Island	3,344	3,115	7.4
Newfoundland	14,081	12,369	13.8

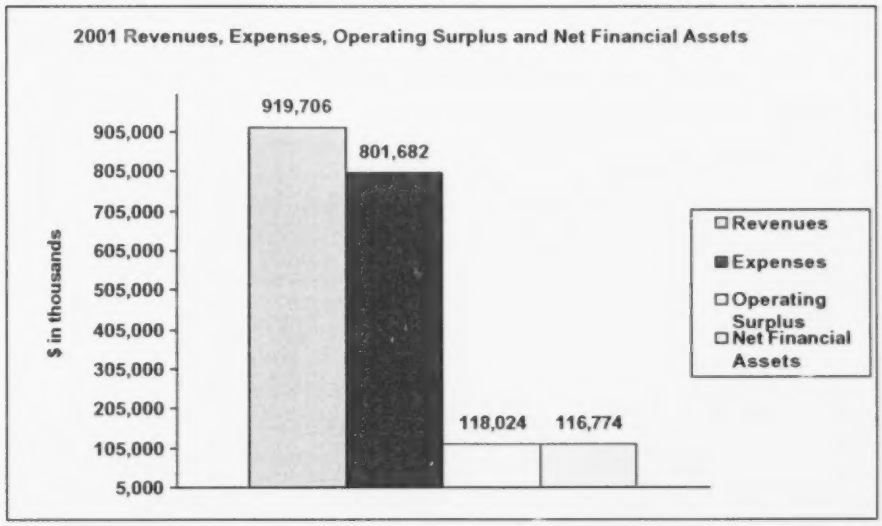
GROSS DOMESTIC PRODUCT COMPARISONS (continued)

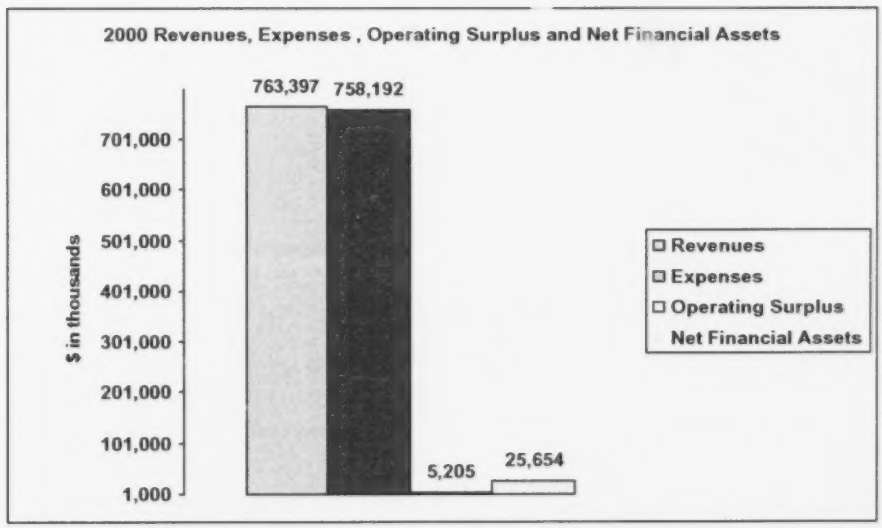


Based on population estimates of Statistics Canada as on July 1, 2000



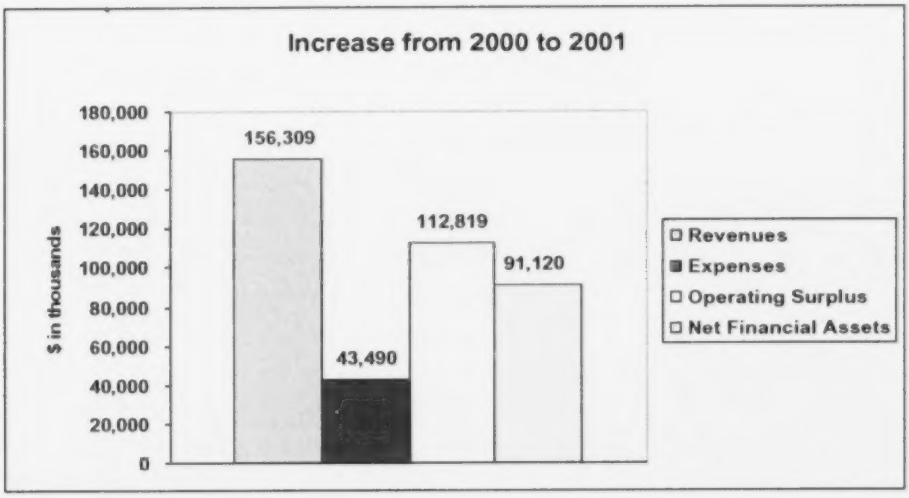
REVENUE, EXPENSES, SURPLUS AND NET FINANCIAL ASSETS





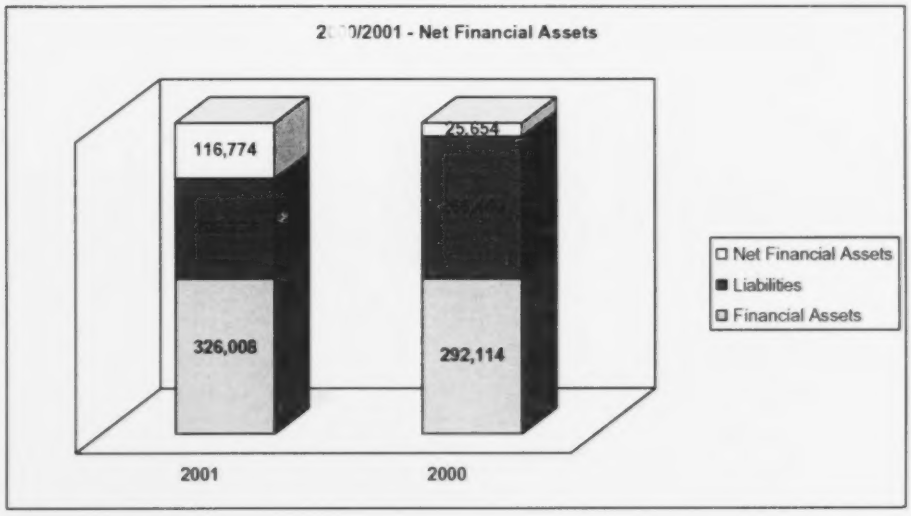
The Government currently has positive net financial assets, which as depicted in the following pages, translates into having more financial assets than outstanding liabilities at the fiscal year end. This important indicator shows the Government's financial position to be sustainable and allows the Government some flexibility in adapting to meet future needs.

REVENUES, EXPENSES, SURPLUS AND NET FINANCIAL ASSETS (continued)



NET FINANCIAL ASSETS

Net financial assets are the residual financial assets (detailed on the next page) after being reduced by all financial liabilities of the government. The graph below depicts the Government's Net financial asset position at the end of the fiscal year. 2001 financial assets totalled $326,008,000. Financial assets totalled $292,114,000 in 2000.



NET FINANCIAL ASSETS

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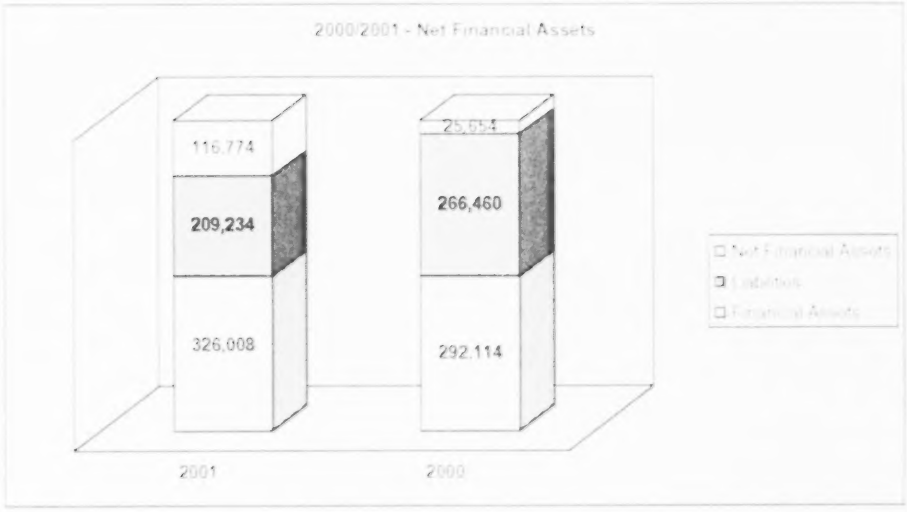
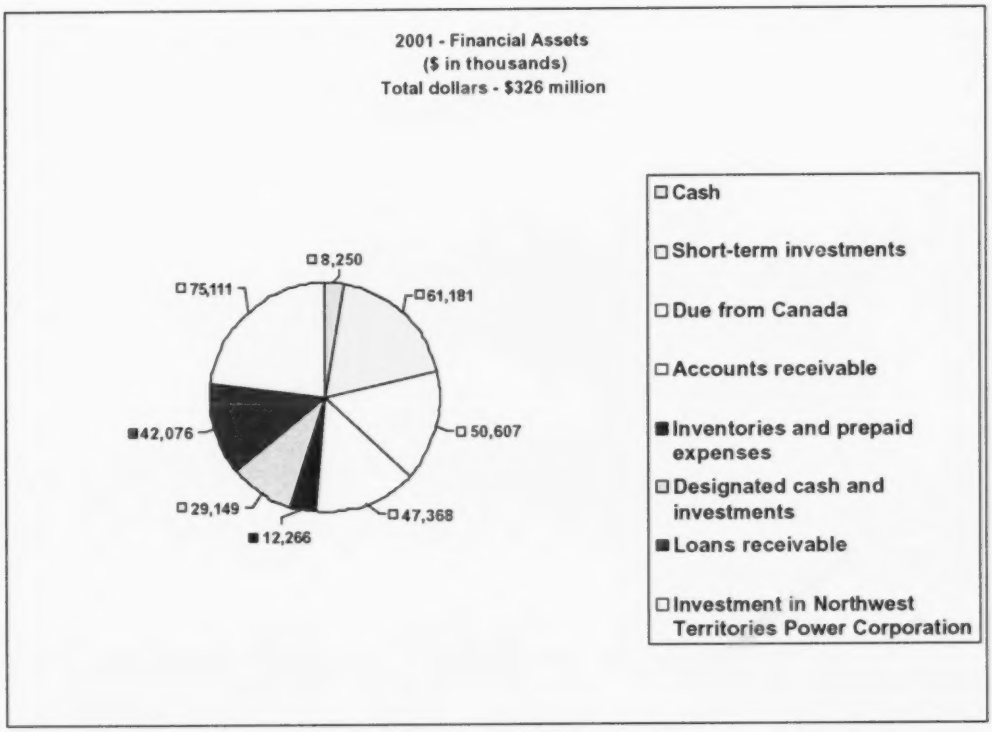
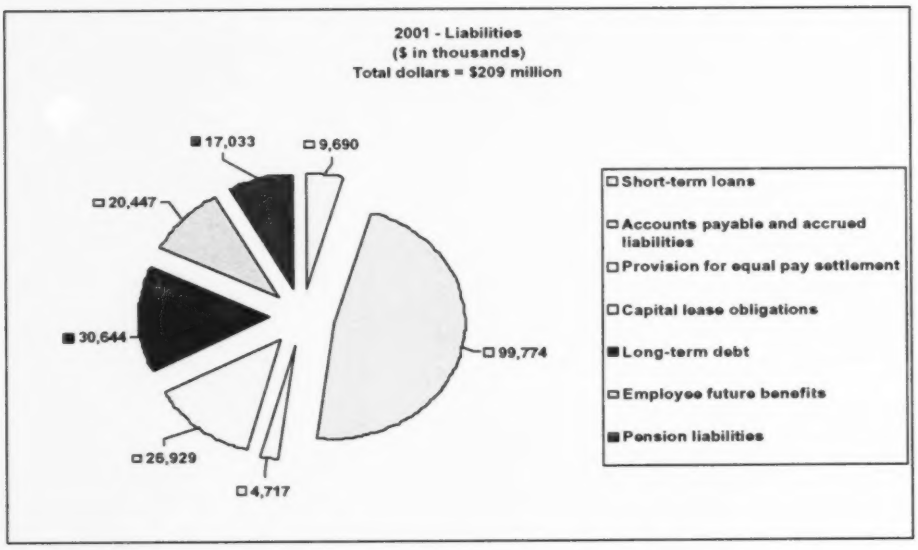


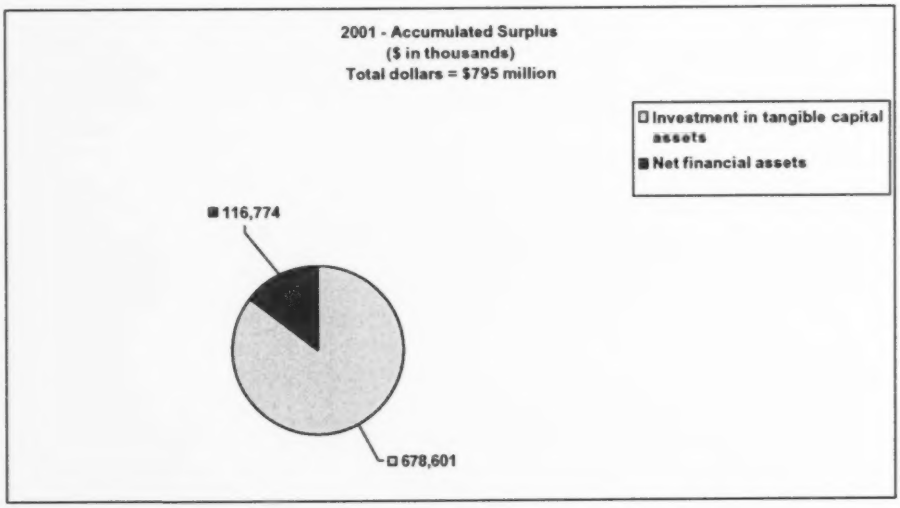
FINANCIAL POSITION



The above graph depicts the varied composition of the Government's financial assets.

FINANCIAL POSITION (continued)

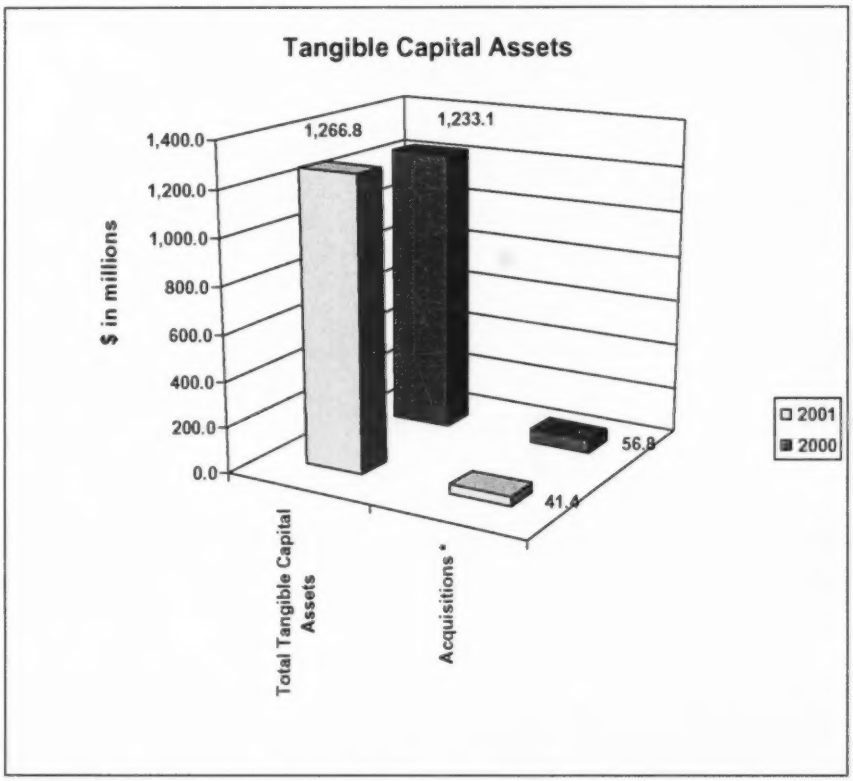




The surplus of the Government is comprised of the net financial assets and the investment in capital assets. When considering the flexibility of a Government to budget for a deficit the portion of the surplus associated with tangible capital assets must not be confused with accessible assets. Nor should net financial assets be equated to available cash.

TANGIBLE CAPITAL ASSETS

In the fiscal year 2000/2001 the Government of the Northwest Territories implemented Tangible Capital Asset accounting. In order to have meaningful comparisons, the fiscal year 1999/2000 was restated to reflect this policy. In previous years all capital purchases were fully expensed in the year the purchase occurred. Tangible capital assets include assets purchase directly by the Government and assets that were fully or partially contributed to the Government of the Northwest Territories by Canada or other parties. The existing assets are being expensed as amortization based on their average useful life in the financial statements of the Government.

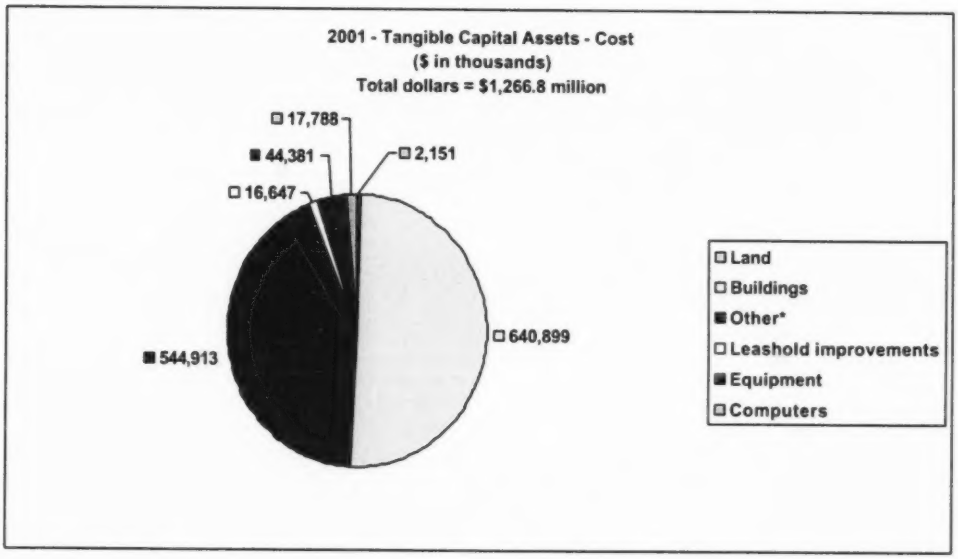


* Acquisitions does not include investments in assets that were not completed as at March 31 of any year. Such assets are recognized when completed and placed into service.

The Government must plan its capital expenditures to ensure that the existing assets are replaced and/or expanded in a timely manner and in conjunction with the Government's direction and priorities.

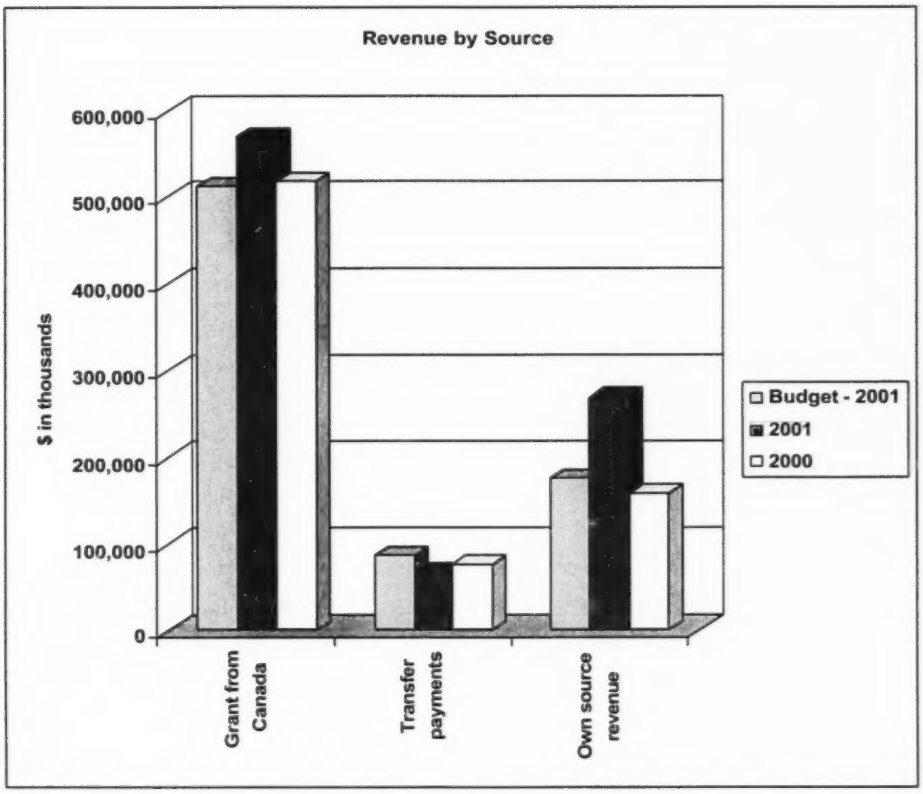
TANGIBLE CAPITAL ASSETS (continued)

The Government should continue to invest in tangible capital assets, at a rate that, over time, approximates the rate at which assets are being consumed. Capital asset replacement planning must bear in mind three essentials points. To maintain the asset base over time, the investment in assets must be higher then their current amortization, as that is based on a historical cost, not replacement cost. Second, in the past, many assets recorded on the Government's books were gifted and thus never part of budgeted appropriations. Replacing them will be a cash burden the Government has previously never had to finance. And lastly this Government has indicated in its vision a desire to improve upon the existing infrastructure not simply maintain the status quo. Over time these issues need to be addressed.



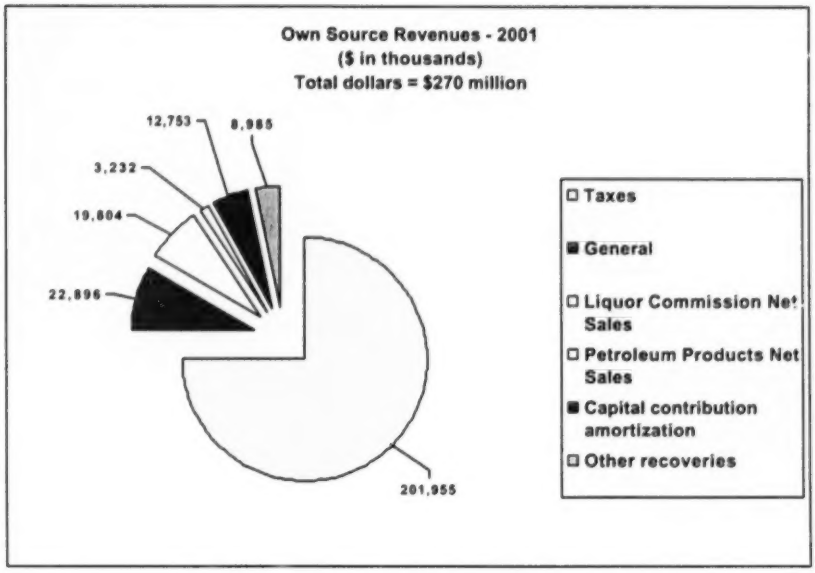
*Includes roads, bridges, airstrips, aprons and water/sewer works

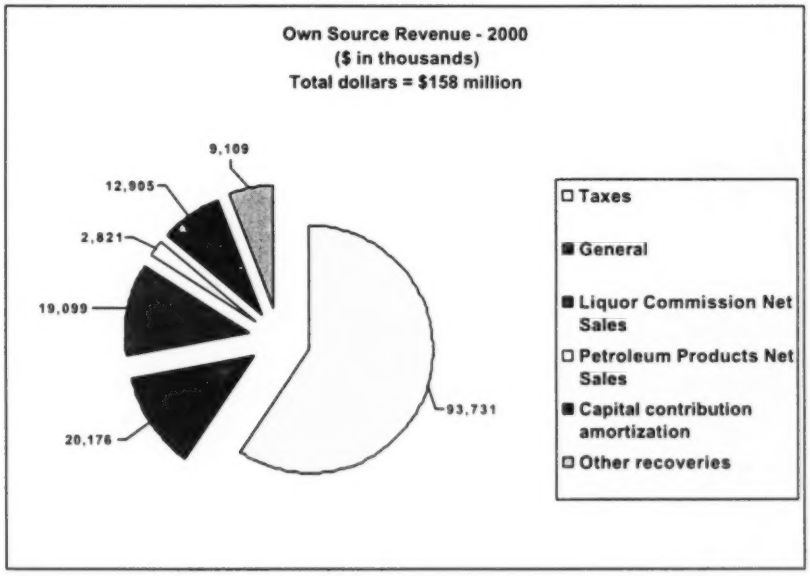
REVENUE BY SOURCE



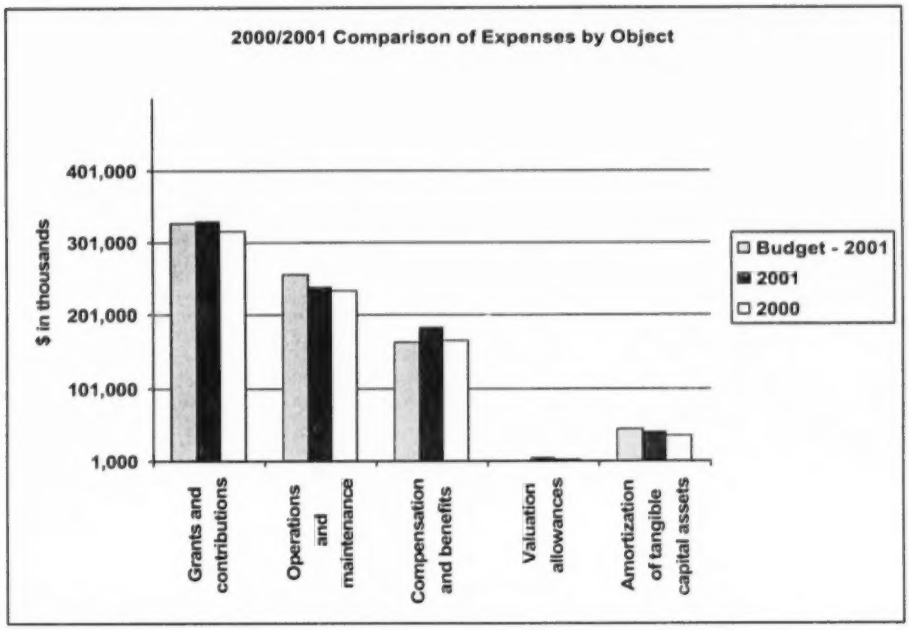
The Government of the Northwest Territories receives the majority of its revenue in the form of a grant from Canada. Although the Northwest Territories has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties etc). It is anticipated that discussions with Canada may lead to the devolving of a share of these resource revenues to the Government of the Northwest Territories.

REVENUE BY SOURCE (continued)





EXPENSES BY OBJECT

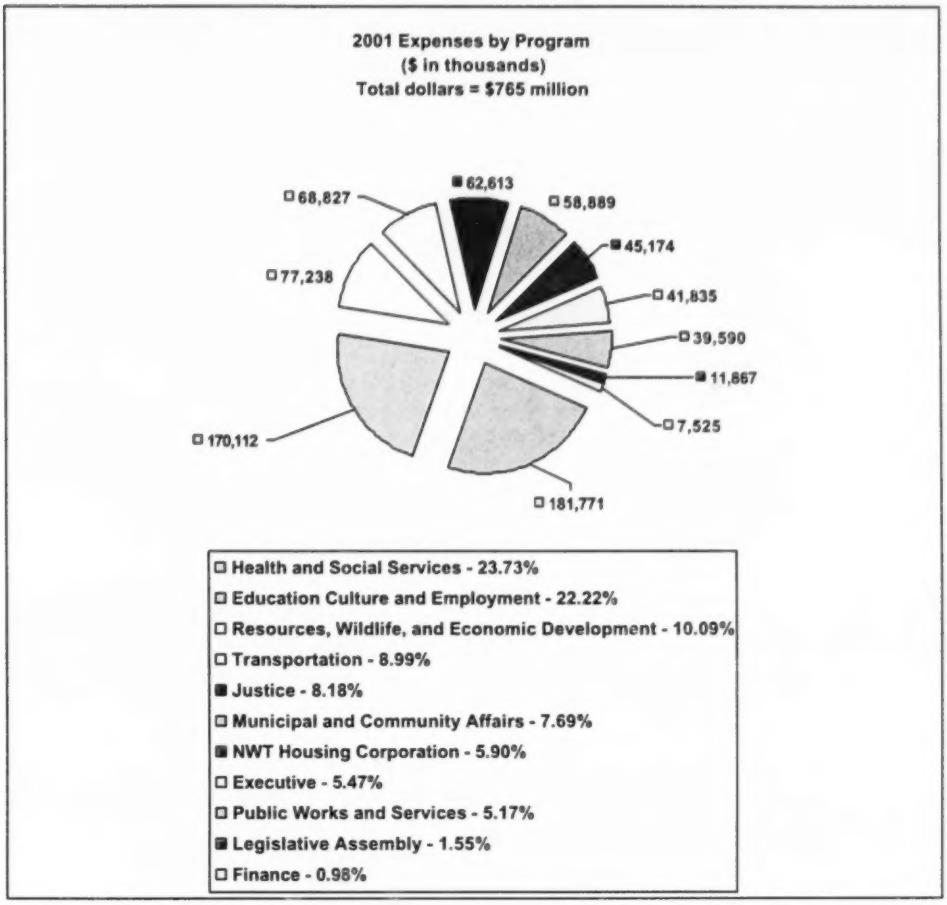


The expenses of the Government are such that much of the costs are fixed. Grants and contributions to third parties have many components that are fixed and as the major (or sole) provider of funds the Government cannot vary the funding without affecting the level of output by these boards and agencies. Many of our social and educational programs are operated by these organizations.

Additional fixed costs are long-term, such as capital lease commitments and other commitments as disclosed in the note 21 to the Consolidated Public Accounts.

As well the Government is vulnerable to inflation as compensation and benefits are negotiated with this as a factor. Not only are the direct wages of the Government vulnerable to this but wages make up a significant portion of the grants and contributions given to third parties.

EXPENSES BY PROGRAM

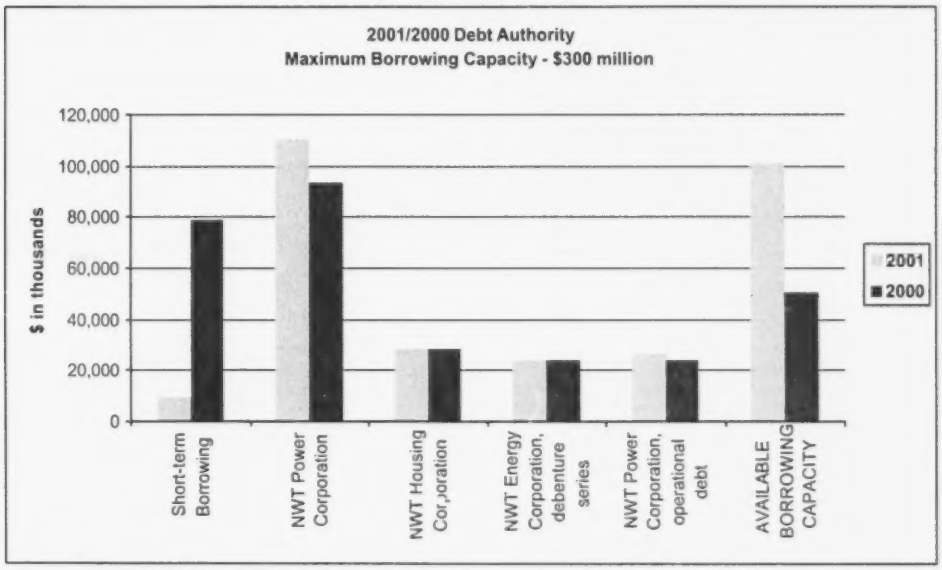


In 2001 the Government spent 60% of its total budget on education, health, social programs, justice and social housing. Most of the remaining budget is allocated to infrastructure, resources and economic development. Any additional resources to improve a service often have to be made at the expense of another important need. Balancing a budget entails not only controlling expenses but also finding the most effective and efficient mix of programs.

LONG-TERM DEBT BORROWING CAPACITY

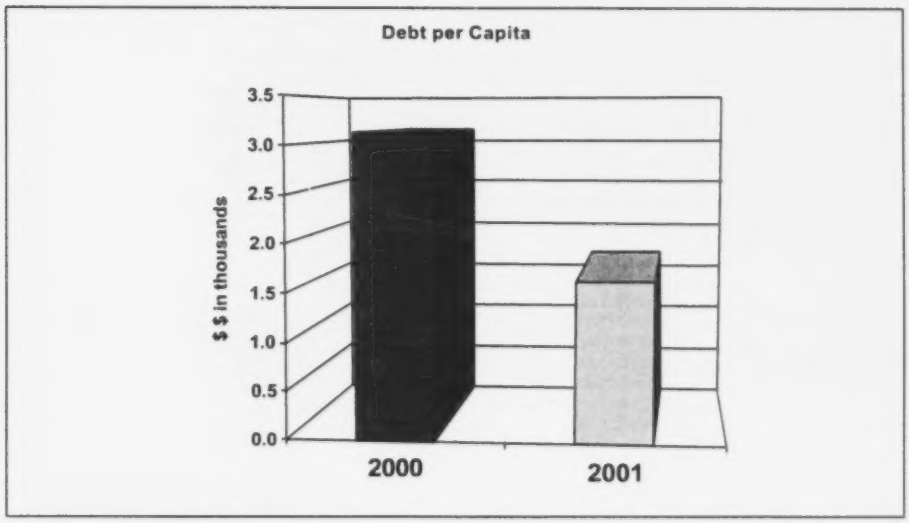
Canada, pursuant to subsection 20(2) of the *Northwest Territories Act,* has approved Government borrowing up to $300 million. This includes all debt of the various Government entities' that are consolidated. These entities include the Northwest Territories Housing Corporation and the Northwest Territories Power Corporation. If future monetary requirements should require borrowing in excess of the approved amount a review of the overall borrowing capacity with Canada would be required.

The borrowings of the Northwest Territories Power Corporation and the Northwest Territories Energy Corporation are self servicing, and as such, do not require that the Government fund the related interest expense or principal repayment.



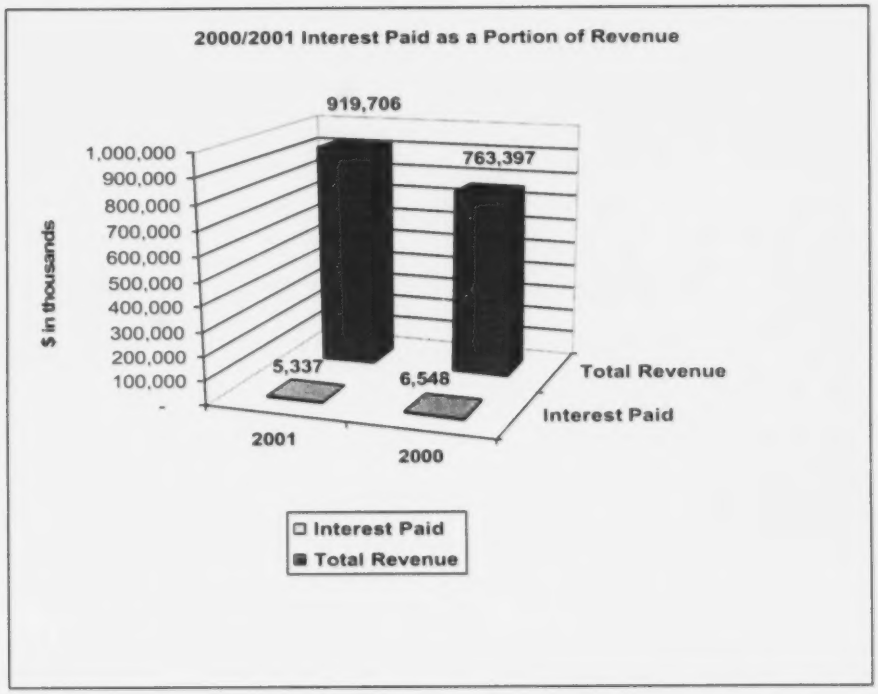
DEBT PER CAPITA

The following chart depicts the debt per capita with respect to the entire debt load that the Government of the Northwest Territories is directly responsible for. This debt is defined as short and long term borrowing for $9 million and $30 million respectively (2000 – $78 million and $30 million) including the Northwest Territories Housing Corporation for $28 million (2000 – 28 million) and capital lease obligations of $27 million (2000 - $19 million).



Based on Statistics Canada population as at July 1, 2001

INTEREST



The Government of the Northwest Territories is in the enviable position of having less than 1% of its total revenues expended to service its debt load.

CONCLUSION

As described in the Introduction, the CICA has suggested that a government's financial health should be measured in terms of sustainability, flexibility and vulnerability. The preceding measures have attempted to illustrate how the Government of the Northwest Territories' fiscal health measures up from this standpoint. The following conclusions are suggested:

Sustainability – at the end of the 2000-01 fiscal year the Government of the Northwest Territories enjoyed a surplus of financial assets over financial liabilities of $116 million. These net financial assets were equal to about 15% of the year's expenses, or 7.8 weeks of operations. The Government's long-term debt was $30 million or 3% of the of the Government revenues for that year and only 1% of the Northwest Territories Gross Domestic Product. These measures suggest that the Government of the Northwest Territories can maintain current programs without increasing the debt burden on the economy, at least for the short-term.

Flexibility – this pertains to the Government's ability to increase its financial resources. The Government of the Northwest Territories only raised 17% of its 2000-01 revenues from its own sources. The rest of its revenues came largely through a formula financing agreement with the federal government. The Government does not have access to resource royalty revenues as the federal government continues to own most Northwest Territories subsurface resources. The Government of the Northwest Territories has a federally imposed limit on its borrowing of $300 million, and although it is currently under its limit, $300 million represents only 37% of 2000-01 expenses or 19 weeks of operations. The Government of the Northwest Territories' flexibility is severely constrained by these factors.

Vulnerability – this is a measure of how dependent a government is on sources of funding outside its control or influence. To assess the Government of the Northwest Territories vulnerability it is not necessary to look further than the percentage of the Government's source revenues, which contributed only 17% of the total Government revenues in 2000-01. The vast majority of the Government of the Northwest Territories' revenues come from a formula financing agreement. This agreement is renewed approximately every four years at which time it is subject to negotiated or federally imposed changes. The current agreement expires March 31, 2004.

In summary, the Government of the Northwest Territories is financially healthy at this point in time but it has limited flexibility to raise new revenues or incur debt and it is very vulnerable to federal changes to its future revenues.

ADDITIONAL SOURCES OF INFORMATION

The Government of the Northwest Territories produces several other documents and web sites that may be referenced for additional information.

Sources include:

- Government of the Northwest Territories Web Site at www.gov.nt.ca
- Government of the Northwest Territories Public Accounts
  - Section I – Consolidated Financial Statements
  - Section II – Non-Consolidated Financial Statements
  - Section III – Supplementary Financial Statements
- Government of the Northwest Territories Main Estimates
- Business Plans
- Geographic Tracking Report
- Results Report